Q & M Dental Group (Singapore) Limited

Bridging boundaries, scaling new heights

Annual Report 2014

Contents

Corporate Profile

Q & M Dental Group ("Q & M" or the "Group") [QC7.SI] is a growing private dental healthcare group in Asia. The Group operates the largest network of private dental outlets in Singapore and is building its presence in the People's Republic of China ("China") and Malaysia.

Founded in 1996, Q & M has built an established brand through its reputation as a reliable provider of quality dental healthcare services. In Singapore, the Group has 55 dental clinics strategically located island-wide, five dental centres and one mobile dental clinic. It also owns three dental supplies and equipment distribution companies in Singapore and Malaysia. The Group has a team of about 180 experienced dentists, supported by about 300 clinic staff in Singapore, to provide quality service to its patient pool of more than 600,000 island-wide.

Q & M is presently executing plans to expand its presence in the overseas markets. To-date, the Group has invested in Shenyang Aoxin Stomatology Group in China which operates 3 dental hospitals and 3 dental clinics in the Liaoning Province. The Group also has another clinic in Shanghai.

The Group has also acquired a 51% stake in the specialized dental materials manufacturer known as Qinhuangdao Aidite High Technical Ceramic Co., Ltd ("Aidite") in Hebei Province, China. Aidite currently manufactures a specialized dental ceramics product known as zirconium oxide blocks which are used in dental computer-aided design and computer-aided manufacturing ("CAD CAM") machines in the fabrication of dental prosthesis.

In Malaysia, it currently operates three dental outlets in Klang Valley, four dental clinics in Johor, and one dental clinic in Malacca. Venturing upstream, the Group has a 70% stake in a dental supplies and equipment distribution company, AR Dental Supplies Sdn. Bhd..

The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 26 November 2009. For further information on Q & M Dental Group, please visit www.QandMDental.com.sg.

Regional Footprint and List of Services

Regional Footprint (as at 31 December 2014)

	Number of clinics
Singapore	Dental: 60 (excluding 1 mobile dental clinic) Medical: 6
China	7
Malaysia	8

	Manufacturing of Dental Materials / Distribution of Dental Equipment and Supplies
Singapore	2
China	1
Malaysia	1

About **180** dentists and **300** clinic staff in Singapore

More than **600,000** patient pool in Singapore

Comprehensive Dental Healthcare Services

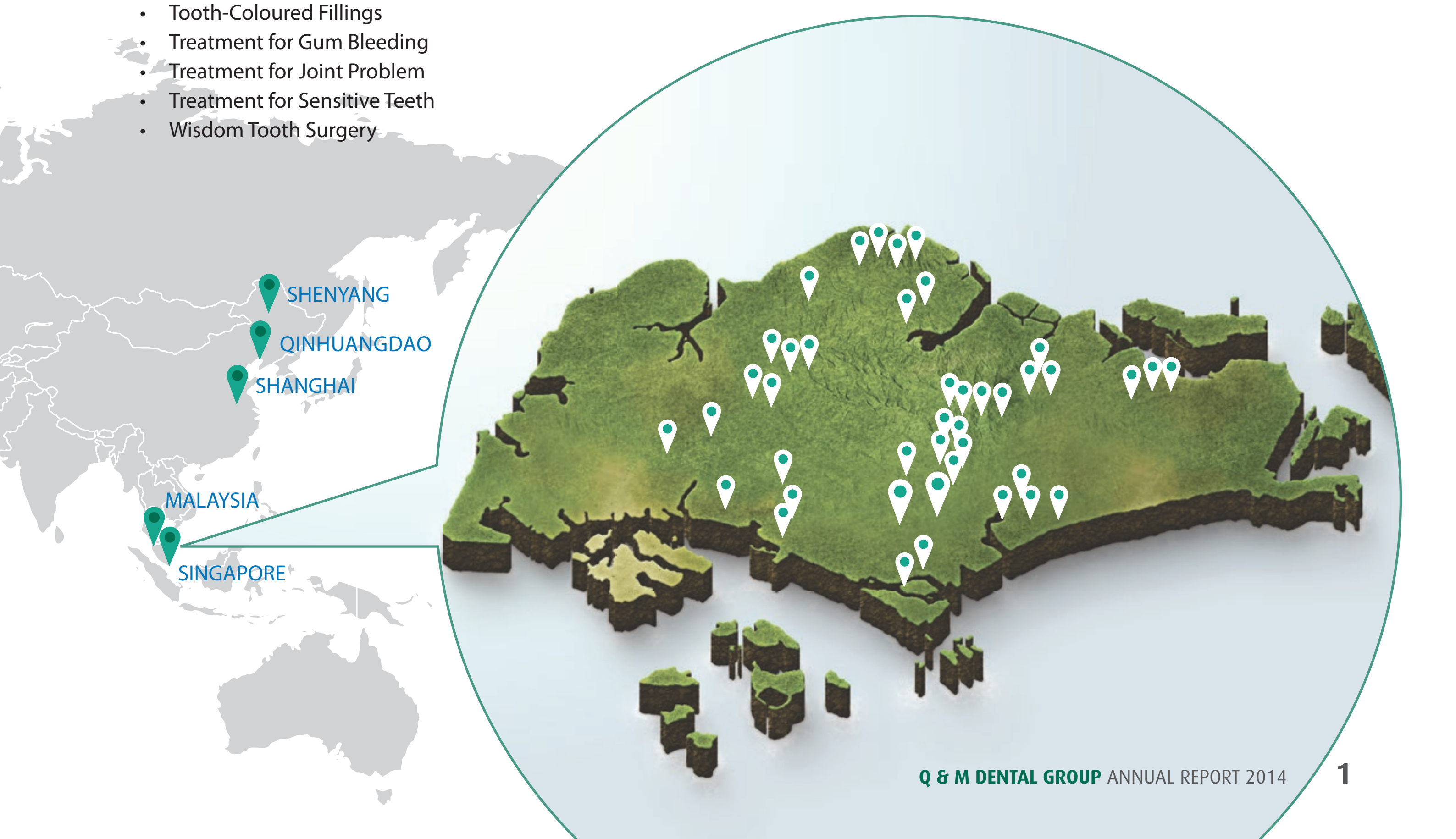
- Aesthetic Dentistry
- CAD CAMC One-Day Crown
- Children Dentistry
- Consultations
- Crowns and Bridges
- Dental Laser
- Dental X-Rays and 3D Radiography
- Dentures
- General Dentistry
- Gum Surgery
- Implant Dentistry
- Mouthguards
- Oral Surgery
- Orthodontics (Braces)
- Root Canal Treatment
- Teeth Whitening
- Tooth-Coloured Fillings
- Treatment for Gum Bleeding
- Treatment for Joint Problem
- Treatment for Sensitive Teeth
- Wisdom Tooth Surgery

Comprehensive Health Screening Services

- Anti-aging Care
- Bone and Joint Analysis
- Cervical Pap Smear
- Electro-cardiogram
- Fasting Sugar
- Hepatitis Profiling
- Kidney Function
- Lipid (Fats) Panel
- Liver Profile
- Men's health (Andropause)
- Pre-martial Health Screening
- Stool Investigation
- Thyroid Profile
- Tumour Markers
- Urine Analysis
- VD Profiling

Comprehensive Aesthetic and Laser Services

- Acne Scars and Stretch Marks Treatment
- Chemical Peels
- Eyelash Extensions
- Facial Contouring
- Intense Pulsed Light (Acne/ Rejuvenation/Pigment Removal)
- Laser (Acne/Rejuvenation/Pigment Removal)
- Mole/Milia/Skin Tag Removal
- Non-surgical Liquid Facelift
- Painless Hair Removal
- Skin Tightening (Face/Eye/Neck)
- Whitening/Deep Cleansing Facial



Message to Shareholders

"A strong brand name is an ***invaluable asset****. The years of building trust in and around the Q & M community of dentists, dental surgery assistants and patients, and a commitment to providing* ***quality*** *and* ***accessible dental healthcare*** *have made Q & M a household name in Singapore. As a testament to our brand values, we were voted* ***Influential Brand Top 1 Winner*** *in the Dental Clinic category by the Generation X consumers of Singapore in 2014."*

Singapore Brand, Regional Reach

The world's economy registered uneven recovery in 2014. Despite the People's Republic of China's ("China") slowdown, it remains the economic powerhouse of the world, as the International Monetary Fund predicts the value of China's economy to be 20% larger than the United States' by 2020. In the light of Singapore's lukewarm economy growth, Q & M Dental Group ("Q & M" or the "Group") has adopted a regional expansion strategy focused on China, delivering continued growth in results for the Group.

A strong brand name is an invaluable asset. The years of building trust in and around the Q & M community of dentists, dental surgery assistants and patients, and a commitment to provide quality and accessible dental healthcare have made Q & M a household name in Singapore. As a testament to our brand values, we were voted Influential Brand Top 1 Winner in the Dental Clinic category by the Generation X consumers of Singapore in 2014. We are humbled by this accomplishment, and will strive to achieve the same recognition in new markets, as we continue to expand our reach across the geographical regions.

On the strength and reputation of the Group in Singapore, we have been leveraging on our track record in our expansion strategies in Malaysia and China, over the past five years. We are pleased to report that our expansion strategy, aided by the growing demand for quality dental healthcare across Asia, has borne fruit, as we achieved a year-on-year Group earnings growth of 62% to $10.5 million for the financial year ended 31 December 2014 ("FY2014").

Packing in the Latest Cutting-Edge Technology

In Singapore, mounting manpower costs and the tight labour market have created significant impetus for innovations to drive productivity. To that end, Q & M has implemented various measures aimed at overcoming labour challenges. With a focus on one-stop multi-disciplinary dental healthcare services, Q & M has been packing in the latest technology to improve product and service quality, as well as to maximise efficiency and productivity, to achieve cost savings at our 60 dental clinics and one mobile dental clinic.

Notably, Q & M was one of the first dental groups in Singapore to bring in computer-aided design and computer-aided manufacturing ("CAD CAM") dentistry four years ago. The CAD CAM machines fabricate dental prosthesis, such as crowns and veneers. Constructively, this technology aids the turnaround time for dental restorations to a few hours against the conventional one to two weeks. We plan to roll out this technology to all our 60 dental clinics from our current four in Singapore as part of our strategy in capturing a larger market share in the higher value CAD CAM dental healthcare services.

Further supporting our expansion in CAD CAM dentistry, we have strategically acquired dental materials manufacturer, Qinhuangdao Aidite High Technical Ceramic Co., Ltd. ("Aidite"), and prosthodontics specialist, Foo & Associates Pte. Ltd.. Aidite is China's second largest producer of zirconium oxide blocks used in the fabrication of dental prostheses via CAD CAM machines. Foo & Associates Pte. Ltd. is founded by one of the CAD CAM pioneers in Singapore, Dr Foo Mooh Thong who will be spearheading our expansion into this field. In addition, we have established a Q & M CAD CAM Academy in Singapore to provide specialised training to our team of dentists.

In venturing upstream, apart from the acquisition of Aidite, growth in our dental supplies and equipment distribution arm in Malaysia has been gaining steam with improvement in cost and supply/demand management for the Group. This will provide Q & M with economies of scale and greater cost efficiency to support our growth in the region.

China as our Growth Centre

With China as the centre of Asia's growth, Q & M has partnered International Enterprise ("IE") Singapore in its Global Company Partnership ("GCP") programme to identify strategic and like-minded partners for our regional expansion in fast-growing regions. A case in point was the acquisition of Aoxin Stomatology Group ("Aoxin"), which was successful with IE Singapore's help. In acquiring a 60% shareholding in Aoxin, we immediately owned three dental hospitals and three dental clinics. With continual support from IE Singapore, we are confident that we can realise our expansion strategy to enhance our presence in China with the right partners.

Our next priority is to integrate and streamline all our operations in China. With growth driven by the strong demand in private dental healthcare, we will optimise current processes with the assistance of technology to achieve economies of scale. By providing technological support to our dental hospitals and clinics with the installation of comprehensive automated management systems, from human resource to client organisation, we can improve our efficiency, productivity and cost at our dental outlets in China.

As stewards of a listed company, one of our key goals is to unlock and enhance shareholder value. In that respect, we will strive to deliver continuous positive results from our China dental operations.

In Appreciation

In closing, we would like to thank our board of directors who has committed time in assisting the management team as we embarked on our strategic initiatives in the year.

Last but not least, we wish to thank all our shareholders, partners, dentists, staff, and patients who have provided us with their continuous support, unstinting faith and trust in the Group. On course with our regional expansion, we look forward to working with all our stakeholders in charting the next phase of our growth.

MR NARAYANAN SREENIVASAN
Non-Executive Independent Chairman

DR NG CHIN SIAU
Group Chief Executive Officer

"As stewards of a listed company, one of our ***key goals is to unlock*** *and* ***enhance shareholder value****. In that respect, we will strive to deliver continuous* ***positive results*** *from our China dental operations."*

Highlights of the Year and FY2014 Key Figures

Started new dental outlets in **Singapore** and **Malaysia**

Acquisition of **60% stake** in Aoxin Stomatology Group in Shenyang

Acquisition of **51% stake** in Qinhuangdao Aidite High Technical Ceramic Co., Ltd. in Hebei

Acquisition of **70% stake** in NG GK Dental Surgery (Melaka) Sdn. Bhd.

Acquisition of **100% stake** in Foo & Associates Pte. Ltd.

New shareholders - Heritas Helios Investments Pte. Ltd. and International Finance Corporation

FY2014 KEY FIGURES

REVENUE

$100.3 million +41%

PROFIT BEFORE TAX

$11.8 million +69%

EBITDA

$15.1 million +62%

CASH POSITION

$35.7 million

CURRENT RATIO (TIMES)

2.6

EARNINGS PER SHARE

1.20 cents +0.27 cents

NAV PER SHARE

9.8 cents +2.2 cents

Operations Review

Q & M Dental Group's ("Q & M" or the "Group") vision is to become the leading private dental healthcare in the region. With regional expansion as the core strategy to drive growth, the Group has made several initiatives in the year towards achieving its goal.

Singapore

As a reputable and widely-recognised brand in Singapore, Q & M is focused on defending and expanding its market share in Singapore by continuously enhancing the quality of its dental healthcare offerings through improvement in technology and setting up new clinics organically. Progressing towards its objective, the Group acquired a specialist prosthodontics clinic, Foo & Associates Pte. Ltd. ("Foo & Associates") which is founded by one of the pioneers in computer-aided design and computer-aided manufacturing ("CAD CAM") dentistry, Dr Foo Mooh Thong. This acquisition's key benefits of boosting the Group's CAD CAM proficiency and technology are in line with its strategy to maintain its growth momentum in Singapore.

To date, the Group has treated more than 600,000 patients. With about 180 qualified and experienced dentists, Q & M's dentist pool represents almost 10% of the total number of registered dentists in Singapore[1]. The Group has also set up a Q & M Dental Institute to offer continuing professional education to its dentists for continual improvement in their skills and knowledge.

In FY2014, the Group closed its dental outlets in Sun Plaza as the mall underwent major upgrading work. The Group also relocated the whole team at its Shaw Centre outlet to its Orchard Dental Centre. The Group opened new dental outlets in Aljunied MRT, Bukit Batok Central, Braddell and Seletar Mall. The Group also added a Japanese clinic for Japanese patients at its Orchard Dental Centre. As at 31 December 2014, the Group has 60 dental outlets island-wide and 1 mobile dental clinic that deliver the Q & M promise of accessible and quality dental healthcare services.

The People's Republic of China

Being the world's largest population with a size estimated at 1.4 billion[2], the People's Republic of China ("China") has tremendous potential. With the growing affluence and higher standards of living, there is a high demand for quality dental healthcare services. With China as a key pillar in Q & M's expansion strategy, the Group is targeting acquisitions, joint ventures and strategic alliances with established dental healthcare providers and other related businesses such as dental materials manufacturers. Purposefully, the Group has acquired a 51% shareholding in dental materials manufacturer, Qinhuangdao Aidite High Technical Ceramic Co., Ltd. ("Aidite"), and a 60% shareholding in dental group, Aoxin Stomatology Group ("Aoxin").

Aidite is the second largest dental ceramic manufacturer, specialising in ceramic and zirconium oxide blocks in China. These materials are key components of the computer-aided design and computer-aided manufacturing ("CAD CAM") dentistry which is an area of focus for the Group as it works towards scaling up its digital dental technology and

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1 As extracted from the Singapore Dental Council Annual Report 2013, there are 1,821 graduate dentists registered in Singapore.
2 As extracted from Worldometers, China's total population is estimated at 1,393,783,836 as at 1 July 2014.

Operations Review


enhancing its dental supply chain. In addition to research and development activities to improve or create new products, Aidite will also be constructing a new factory in Qinhuangdao to expand its current manufacturing capacity. In enhancing its dental healthcare services in China, the Group's acquisition of Aoxin expanded its scope with three dental hospitals, three dental clinics and a training centre. Both acquisitions are secured with profit guarantees of 12 years. At the end of FY2014, the Group has three dental hospitals, four dental outlets, one training centre, and one dental materials manufacturer in China.

The main thrust of Q & M's growth initiatives in China is to develop a new and sustainable growth pillar that can yield long-term value for the Group. To that end, the Group will continue to seek growth opportunities to expand its dental healthcare and supply chain in China.

Malaysia

Similar for Malaysia, the Group has a strategy of expanding its presence through acquisitions, joint ventures and strategic alliances with dental healthcare providers and other related businesses. Leveraging on its strong brand name in Singapore, the Group acquired a 70% shareholding in NG GK Dental Surgery (Melaka) Sdn. Bhd., which operates Ng Dental Surgery in Malacca. This is the Group's first venture into Malacca, tapping on the dental tourism market of Malaysia.

At the end of FY2014, Malaysia remains an important expansion pillar of the Group with a total of four dental clinics in Johor Bahru, three dental outlets in Klang Valley, one dental clinic in Malacca, as well as one dental equipment and supplies distributor in Malaysia.

Operational Presence (FY2014)	Dental Hospital	Dental Outlets	Mobile Dental Clinic	Medical, Aesthetic and Specialist Medical Centres/Clinics	Manufacturing of Dental Materials	Distribution of Dental Equipment and Supplies
Singapore	-	60	1	6	-	2
China	3	4	-	-	1	-
Malaysia	-	8	-	-	-	1

Financial Review

Revenue

For the financial year ended 31 December 2014 ("FY2014"), the Group's revenue from dental and medical clinics increased 26% year-on-year ("yoy") to $84.3 million, from $66.9 million for the previous corresponding year ("FY2013"). The increase of $17.4 million was attributed to higher revenue from existing dental outlets, contributions from new dental and medical outlets in Singapore and Malaysia, and Aoxin Stomatology Group ("Aoxin") from the People's Republic of China ("China") which was acquired in July 2014.

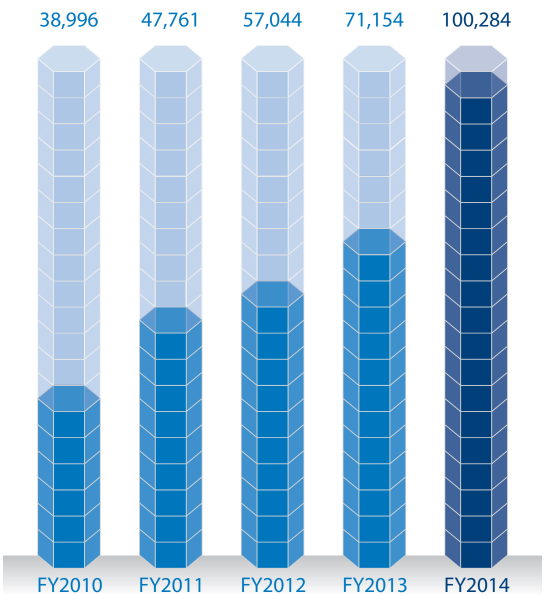
In Singapore, the Group had a total of 60 dental outlets, 1 mobile dental clinic, 3 medical outlets, 1 aesthetic centre and 2 specialist medical clinics in operation as at 31 December 2014. In comparison, there were 56 dental outlets, 1 mobile dental clinic, 4 medical outlets, 1 aesthetic centre and 2 specialist medical clinics as at 31 December 2013 in Singapore.

Overseas, the Group had a total of 8 dental outlets in Malaysia, and 3 dental hospitals and 4 dental outlets in China as at 31 December 2014. In comparison, there were 8 dental outlets in Malaysia and 10 dental outlets in China as at 31 December 2013.

Revenue contribution from the dental equipment and supplies distribution business increased 120% yoy to $9.4 million for FY2014, from $4.3 million for FY2013. This increase of $5.1 million was mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Revenue contribution of $6.6 million from the dental supplies manufacturing business for FY2014 was due to the acquisition of Qinhuangdao Aidite High Technical Ceramic Co., Ltd ("Aidite"), a dental supplies manufacturing company in China in August 2014.

REVENUE $'000



Other Items of Income

Other gains amounted to $1.0 million for FY2014 as compared to $2.0 million for FY2013. Other credits for FY2014 were mainly due to the recognition of enhanced special employment credit and profit guarantee received and receivable from the vendors/ shareholders of the joint venture companies.

Operating Expenses

Consumables and supplies used for FY2014 rose 40% yoy to $6.7 million, from $4.7 million for FY2013. The increase was mainly due to an increase in the number of patients, cost of purchases, purchases related to the new dental and medical outlets in Singapore, Malaysia, and the acquisition of Aoxin in July 2014.

As a percentage of revenue from the dental and medical outlets, consumables and dental supplies used in the dental and medical outlets was 7.9% for FY2014 as compared to 7.1% for FY2013.

The cost of sales from dental equipment and supplies distribution business increased to $6.7 million for FY2014 as compared to $3.0 million for FY2013. This was mainly due to the increase in revenue from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Cost of sales from the dental supplies manufacturing business for FY2014 was due to the acquisition of Aidite in August 2014.

Employee benefits expense rose 24% yoy to $54.4 million for FY2014, from $43.9 million for FY2013. This was mainly due to an increase in headcount to support more dental outlets in Singapore and Malaysia, new medical clinics and aesthetic centre, as well as from the acquisition of Aoxin in July 2014 and Aidite in August 2014.

As a percentage of revenue, employee benefits expense was 54.2% for FY2014 as compared to 61.7% for FY2013.

Depreciation and amortisation expenses increased 42% yoy to $2.8 million for FY2014, from $2.0 million for FY2013. The increase was mainly due to purchase of property, dental equipment, furniture, fixtures and fittings for existing and new dental outlets in Singapore and Malaysia, as well as the acquisition of Aoxin in July 2014 and Aidite in August 2014.

As a percentage of revenue, depreciation and amortisation expenses for FY2014 and FY2013 were 2.8%.

Rental expense increased 23% yoy to $8.5 million for FY2014 from $6.9 million for FY2013. The increase was mainly due to an increase in the number of dental, medical and aesthetic outlets in Singapore, dental outlets and distribution business in Malaysia, acquisition of Aoxin in July 2014 and Aidite in August 2014.

As a percentage of revenue, rental expense was 8.5% for FY2014 as compared to 9.7% for FY2013.

Other expenses increased 42% yoy for FY2014 to $7.4 million, from $5.2 million for FY2013. The increase was mainly due to increases in sales commission, overseas travelling expenses, marketing expenses, repair and maintenance, and credit card merchant charges, which were in tandem with the Group's revenue growth from its dental and distribution businesses and the acquisition of Aoxin in July 2014 and Aidite in August 2014.

As a percentage of revenue, other expenses was 7.4% for FY2014 as compared to 7.3% for FY2013.

Finance costs increased to $0.5 million for FY2014 from $0.4 million for FY2013. The increase was mainly due to interest on bank loans for purchase of property and acquisitions of Aoxin in July 2014 and Aidite in August 2014.

Profitability

Despite the medical business losses of $1.4 million (FY2013: $1.2 million) incurred for FY2014, the Group's profit before tax rose 69% yoy to $11.8 million for FY2014 from $7.0 million for FY2013. The increase of $4.8 million was mainly due to higher contribution from the dental business, distribution business, as well as contributions from Aoxin and Aidite which were respectively acquired in July 2014 and August 2014. The Group took measures to streamline the medical business losses by disposing the operations and assets of its two specialist centres, The Digestive & Liver Specialist Centre and The Lung Specialist Centre in January 2015. After deducting provision for income tax expense of $1.3 million, the Group's net profit increased 62% yoy to $10.5 million for FY2014, from $6.5 million for FY2013.

Balance Sheet

Cash and cash equivalents as at 31 December 2014 increased to $35.7 million, from $28.7 million as at 31 December 2013. The net increase of $7.0 million was mainly due to proceeds from the rights issue and bank borrowings which were offset by the purchase of property, investment in Aoxin and Aidite and payment of dividends to shareholders.

As at 31 December 2014, the Group remained in a net cash position with cash and cash equivalents of $35.7 million and bank borrowings and finance leases totaling $32.3 million.

Trade and other receivables increased to $16.3 million as at 31 December 2014, from $7.7 million as at 31 December 2013. The increase of $8.6 million was mainly due to an increase in trade and other receivables from the acquisition of Aoxin in July 2014, Aidite in August 2014 and the dental equipment and supplies distribution company in Malaysia.

Other assets increased to $2.8 million as at 31 December 2014, from $1.5 million as at 31 December 2013. The net increase of $1.3 million was mainly due to an increase in prepayments in China and Singapore as well as sign-on-bonus to the Group's dentists.

Inventories increased to $8.6 million as at 31 December 2014, from $4.1 million as at 31 December 2013. The increase of $4.5 million was mainly due to inventories from the acquisition of Aidite in August 2014 and the dental equipment and supplies distribution company in Singapore and Malaysia.

The net book value of property, plant and equipment as at 31 December 2014 increased to $37.4 million from $15.4 million as at 31 December 2013. The increase of $22.0 million was mainly due to the acquisition of Aoxin in July 2014 and Aidite in August 2014, as well as the purchase of property, plant and equipment for existing and new dental clinics in Singapore and Malaysia.

Assets held for sale relates to the Group's investment in its associates, Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd.. As the Group is still finalising the disposal consideration of its interest in the associates, it has ceased recognizing the Group's share of profit as equity accounted associates. The management is of the view that the fair value less cost of disposal will be higher than the carrying value.

The intangible assets increased to $35.3 million as at 31 December 2014, from $5.5 million as at 31 December 2013. The increase of $29.8 million was mainly due to the goodwill arising from the acquisitions in Singapore and China.

Trade and other payables increased to $21.0 million as at 31 December 2014, from $10.8 million as at 31 December 2013. The increase of $10.2 million was mainly due to the acquisition of Aoxin in July 2014, Aidite in August 2014, and the dental equipment and supplies distribution company in Malaysia.

At the end of 31 December 2014, the Group's current portion of bank loan and finance leases increased to $3.8 million from $0.2 million mainly due to short term bank loan for acquisition and working capital in China.

Cash Flows

The Group generated net cash flow from operating activities of $10.6 million for FY2014. This was mainly derived from the profit generated for FY2014 and after deducting the amount used for working capital.

Net cash used in investing activities for FY2014 amounted to $38.8 million, mainly due to the acquisition of Aoxin, Aidite and the purchase of property, plant and equipment for existing and new dental and medical outlets in Singapore.

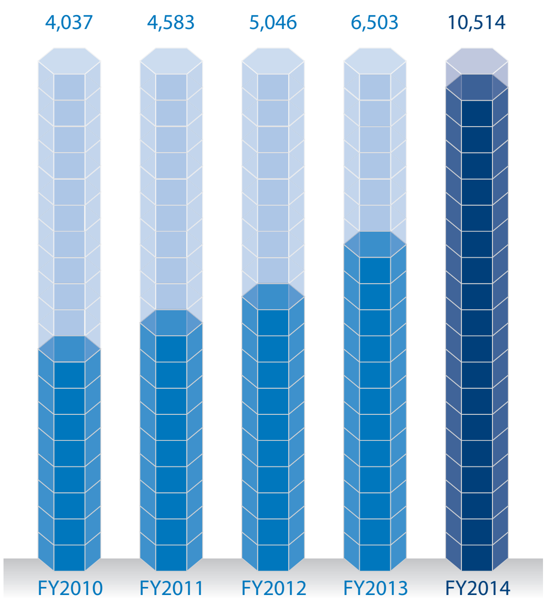
Net cash from financing activities for FY2014 was $35.1 million, which arose mainly due to new bank loans and proceeds from rights issue, offset by payment of dividends to shareholders.

Consequent to the above factors, the Group's cash and cash equivalents was $35.6 million as at 31 December 2014.

Dividend

The Directors of the Group are pleased to recommend a final dividend of 0.32 cents per ordinary share in respect of FY2014 for approval by the shareholders at the Annual General Meeting ("AGM"). If approved at the AGM, the dividend will be paid on 18 May 2015.

NET PROFIT $'000



Board of Directors

NARAYANAN SREENIVASAN
Non-Executive Independent Chairman

Narayanan Sreenivasan was appointed as Non-Executive Chairman of Q & M Dental Group on 14 October 2009. He is the Managing Director of Straits Law Practice LLC and has 28 years of experience in government and private legal practice. He graduated with a LLB (Hons) from the National University of Singapore in July1985. He is an advocate and solicitor of the Supreme Court of the Republic of Singapore as well as a Fellow of the Singapore Institute of Arbitrators, and the Chartered Institute of Arbitrators. Mr Sreenivasan has an active litigation practice and was appointed as Senior Counsel in January 2013. He is a member of the Law Society Pro Bono Management committee and a director of the Singapore Business Federation Foundation. Mr Sreenivasan has previously been the Honorary Secretary of SINDA ("Singapore Indian Development Association") and a Council Member and Treasurer of the Law Society.

DR NG CHIN SIAU
Group Chief Executive Officer

Dr Ng Chin Siau is our founder and Group CEO. He was appointed as an Executive Director of Q & M Dental Group on 7 January 2008. Dr Ng Chin Siau is responsible for the corporate direction of our Group. He leads our Group in all aspects of its business strategies, policy planning and business development in Singapore and overseas, especially China. From May 1992 to October 1994, he was a dental officer with the Ministry of Health. He left to join private practice in November 1994, where Dr Ng Chin Siau was an Associate Dental Surgeon with a private dental clinic at Bukit Batok until October 1996. He founded our Group in November 1996 and charted its growth since then. Dr Ng Chin Siau graduated from the National University of Singapore with a Bachelor of Dental Surgery in June 1992. He also obtained a Certificate of Implantology from the University of Frankfurt in December 2003.

Dr Ng Chin Siau received the Best Entrepreneur Award in the discipline of Dentistry from the National University of Singapore's Business Incubation of Global Organisations in September 2007. In September 2009, he was named the top entrepreneur and winner of The Entrepreneur of the Year Award ("EYA") for Enterprise in the 2009 Rotary Club-ASME EYA. In December 2010, Dr Ng was conferred the Ernst & Young Entrepreneur of The Year 2010 Award (Healthcare Services). He was also an elected member of the Singapore Dental Council from May 2006 to April 2009.

DR NG JET WEI
Deputy Chief Executive Officer

Dr Ng Jet Wei is our Deputy CEO. He was appointed as an Executive Director of Q & M Dental Group on 29 April 2008. Dr Ng Jet Wei is also the CEO of Q & M Dental Group (Malaysia) and is responsible for our Group's business development activities in Malaysia. He is also responsible for our Group's dental equipment and supplies business and dental laboratory services. Aside from his executive position, Dr Ng Jet Wei practices as a dentist at our Q & M Dental Centre located at City Square Mall. Prior to joining us in December 1997, he was a dental officer with the Ministry of Health, General Dental Centre, from December 1995 to December 1996. From December 1996 to December 1997, he was the Head of Dental Unit at Woodlands Polyclinic, a Community Dental Service of the Ministry of Health. He graduated from the National University of Singapore with a Bachelor of Dental Surgery in December 1995. He also obtained a Certificate of Implantology from University of Frankfurt in December 2004. Dr Ng Jet Wei is a Fellow of the International Congress of Oral Implantologist since August 2005.

Board of Directors

DR ANG EE PENG RAYMOND

Chief Operating Officer

Dr Ang Ee Peng Raymond is our COO. He was appointed as an Executive Director of Q & M Dental Group on 13 June 2008. Dr Ang's responsibilities include our Group's human resource function, information technology, procurement, marketing, ISO implementation and complaints handling. He is assisted by our General Manager, Ms Foo Siew Jiuan. Joining us in April 2004, Dr Ang practices as a dentist at our Q & M dental clinics at Bukit Gombak and Bukit Panjang. Prior to that, from July 1994 to 1996, Dr Ang served as a staff officer with the Singapore Armed Forces Medical Corps. From July 1996 to March 2004, Dr Ang was with First Impressions Dental Surgery Pte Ltd, another dental group practice. He graduated from the National University of Singapore with a Bachelor of Dental Surgery in July 1994. He is a Fellow of the Academy of Dentistry International since September 2009 and a Fellow of the International College of Dentist since November 2010. Dr Ang is the Chairman of the Singapore Dental Association ethics committee since 2004. Dr Ang is an elected member of the Singapore Dental Council (SDC) since May 2009. He is Chairman of the SDC Audit Committee and is also a member of the SDC's complaints panel and SDC's continuing professional education committee. Dr Ang is a member of Nayang Polytechnic School of Health Sciences Dental Therapy & Hygiene Advisory Panel. He is also member of the Singapore Medical Council's complaints panel. In 2012, Dr Ang was presented with the prestigious Singapore Dental Association Meritorious Award for his contributions to the dental profession in Singapore.

PROFESSOR TOH CHOOI GAIT

Non-Executive and Independent Director

Professor Toh Chooi Gait was appointed as an Independent Director of Q & M Dental Group on 25 June 2013. Currently, she is the Dean of the School of Dentistry in International Medical University, Malaysia. She is also currently serving as a member of the Malaysian Dental Council. She has also served in various positions in the International Association for Dental Research and South East Asia Association for Dental Education. She is also a member of the National Conjoint Board on Postgraduate Dental Education under the Ministry of Education, Malaysia since its inception in 2013. Professor Toh has over 35 years of experience in dentistry and has co-authored four books on aesthetic dentistry and published more than 60 articles on dentistry in various professional journals. She regularly conducts dental workshops and training for dentists in Malaysia and abroad. She has a Bachelor of Dental Surgery with Honors from the University of Singapore, Master of Science in Conservative Dentistry from University of London, Diploma in Restorative Dentistry from Royal College of Surgeons of Edinburgh and is a Fellow in Dental Surgery with the Royal College of Physicians and Surgeons of Glasgow. She has also been conferred Honorary Fellowships by Academy of Dentistry International, International College of Dentists and Royal College of Surgeons of Edinburgh.

NG WENG SUI HARRY

Non-Executive and Independent Director

Ng Weng Sui Harry was appointed as an Independent Director of Q & M Dental Group on 14 October 2009. Currently, he is the Executive Director of HLM (International) Corporate Services Pte Ltd, a company that provides business consultancy and corporate services. Mr Ng is also an Independent Director and Chairman of the Audit Committee of Artivision Technologies Ltd, Oxley Holdings Limited, and IEV Holdings Limited and HG Metal Manufacturing Limited, all listed on the SGX-ST. From October 2008 to April 2010, he was the Chief Financial Officer and Executive Director of Achieva Limited, listed on the SGX-ST. From August 2004 to July 2008, he was the Chief Financial Officer of Sunmoon Food Company Limited, a company listed on the SGX-ST. Mr Ng has more than 30 years of experience in accountancy, audit and finance. He is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.

Executive Officers

DR CHEAH KIM FEE
Chief Executive Officer (China)

Dr Cheah Kim Fee is the Chief Executive Officer of Q & M Dental Holdings (China) Pte Ltd ("QDHC") since 1 June 2012. QDHC is the Company's investment vehicle for its expansion into the private dental healthcare industry in China. Based in Shanghai, Dr Cheah plays an important role in identifying and assessing strategic merger and acquisition opportunities in China dental healthcare industry. He is also tasked with initiating preliminary negotiations with companies that fit the Group's investment criteria, post-acquisition integration and is responsible for QDHC's financial and operational performance.

Prior to his appointment in QDHC, he was CEO of another Q & M subsidiary company, Q & M Dental Group (China) Pte Ltd from 1 April 2010. He was also Sales Director at Ivoclar Vivadent Shanghai Representative Office from 2007 to 2009. From 2005 to 2007, he was practicing as a dentist at Global Healthcare, Shanghai. Between 2003 and 2005, Dr Cheah was a Research Assistant at the Faculty of Dentistry, University of Hong Kong. He was also a practicing dentist at Drs Tay and Partners Dental Surgeons Singapore from 1992 to 2003, and Singapore General Hospital between 1990 and 1992. Dr Cheah graduated from the National University of Singapore with a Bachelor of Dental Surgery in 1990. He also obtained a Diploma in General Dental Practice from Royal College of Surgeons, England in 1997 and Executive Masters of Business Administration from University of Washington Saint Louis, USA, in 2010. Dr Cheah was the first President of the College of General Practitioners (Singapore).

FOO SIEW JIUAN
General Manager

Foo Siew Jiuan is our General Manager and her current responsibilities include assisting our COO on our Group's daily operational matters such as human resource, procurement, ISO implementation, service recovery and others. From May 1993 to January 1997, she was a pharmacist and outlet manager at Guardian Pharmacy Singapore. From May 1998 to June 1999, she continued to work part-time as a pharmacist at St. Luke's Hospital in Singapore. She joined our Group in November 1996 on a part-time basis before working full-time with our Group from July 1999. She graduated with a Bachelor of Science (Pharmacy) from the National University of Singapore in June 1992.

SIM YU XIONG
Chief Financial Officer

Sim Yu Xiong is our Chief Financial Officer. He is responsible for our Group's financial management, tax and investment, as well as assisting our CEO on merger and acquisition activities. Mr Sim has accumulated vast experience in the areas of finance, audit and business management. Prior to joining our Group on 6 April 2010, he was Chief Financial Officer with W. Atelier Pte Ltd from April 2008 to March 2010. From June 2007 to March 2008, he held the position of General Manager at Inke Pte Ltd. Between June 2003 and June 2007, Mr Sim was the Group Financial Controller with Pacific Healthcare Holdings Ltd. In addition, he had also held various managerial positions previously as Finance Manager with Torie Holdings Pte Ltd from August 1997 to May 2003 and General Manager with Fullmark Pte Ltd from August 1986 to August 1997. From September 1980 to July 1986, Mr Sim was an auditor with Coopers & Lybrand, prior to its merger with Price Waterhouse in 1998. Mr Sim is Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK).

NG SOOK HWA
Group Financial Controller

Ng Sook Hwa is our Group Financial Controller. Her current responsibilities include assisting our Chief Financial Officer in our finance and compliance matters. Prior to joining us in March 2002, Mdm Ng was a second year graduate assistant in KPMG, Singapore from October 2000 to February 2002. Mdm Ng graduated with a Bachelor of Commerce, Finance and Marketing (with distinction) from Curtin University of Technology, Australia in August 1998. She also obtained her Masters of Accounting from Curtin University of Technology, Australia in April 2000 and is a member of CPA Australia.

SAN YI LEONG
Chief Financial Officer (China)

Mr San Yi Leong is the Chief Financial Officer of Q & M Dental Holdings (China) Pte Ltd ("QDHC"), a wholly owned subsidiary of Q & M Dental Group. He is responsible for QDHC's financial management, risk management, investor relations and assists our Group CEO on merger and acquisition activities in China.

Prior to his appointment as Chief Financial Officer of QDHC, he was the Group's Business Development Director. His responsibilities include assisting our Group CEO and Deputy CEO on business development in Singapore, Malaysia and China. He conducts market analysis and research as well as prepares business proposals for the Group. He is also involved in Singapore clinics expansion, merger and acquisition activities both local and overseas, business integration, due diligence exercises and other special projects. He also assisted the Group's COO in managing the Group's medical healthcare business in Singapore.

Prior to joining us in April 2005, he was an assistant finance manager with Oracle Petroleum Consultancy Pte Ltd, a company involved in petroleum and petrochemicals supply chain activities, from January 2003 to March 2005. From July 1999 to January 2003, he was a senior auditor with Messrs Ng, Lee& Associates - DFK, Singapore, a public accounting firm. Mr San obtained a Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology, Australia in August 1999. He is a member of the Institute of Singapore Chartered Accountants and a member of CPA Australia.

YOUNG HAO PUI ANDREW
Legal Counsel

Mr Young Hao Pui Andrew is the Group's Legal Counsel. He is responsible for legal, statutory and compliance matters of the Group, and also provides general legal advice on the day-to-day matters of the Group. He also supports the management in the Group's dealings with the Singapore Exchange Securities Trading Limited, investing community and professionals engaged by the Group. Prior to joining the Group in November 2013, he was an associate at Yeo-Leong & Peh LLC. Mr Young holds a Bachelor of Laws from the University of Liverpool, United Kingdom and is also an accredited associate mediator with the Singapore Mediation Centre.

Corporate Information

BOARD OF DIRECTORS

Narayanan Sreenivasan (Non-Executive Independent Chairman)

Dr Ng Chin Siau (Group Chief Executive Officer)

Dr Ng Jet Wei (Deputy Chief Executive Officer)

Dr Ang Ee Peng Raymond (Chief Operating Officer)

Professor Toh Chooi Gait (Non-Executive and Independent Director)

Ng Weng Sui Harry (Non-Executive and Independent Director)

AUDIT COMMITTEE

Ng Weng Sui Harry (Chairman)

Narayanan Sreenivasan

Professor Toh Chooi Gait

REMUNERATION COMMITTEE

Professor Toh Chooi Gait (Chairperson)

Ng Weng Sui Harry

Narayanan Sreenivasan

NOMINATING COMMITTEE

Professor Toh Chooi Gait (Chairperson)

Ng Weng Sui Harry

Narayanan Sreenivasan

COMPANY SECRETARY

Toon Choi Fan

Tan Siew Hua

REGISTERED OFFICE

81 Science Park Drive, #02-04
The Chadwick, Singapore
Science Park 1,
Singapore 118257
www.QandMDental.com.sg

SHARE REGISTRAR

Tricor Barbinder Share
Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road,#02-00,
Singapore 068898

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095

Goh Swee Hong (Partner-in-charge)

Financial Contents

Corporate Governance Report

The Board of Directors of Q & M Dental Group (Singapore) Limited (the "Company"), is committed to high standards of corporate governance and supports the principles of the Code of Corporate Governance 2012 ("Code") so as to enhance transparency and accountability as well as to protect the interest of shareholders. This report discusses the Company's corporate governance framework and practices with reference to the Code. In areas where there are deviations from the Code, the rationales are provided.

BOARD MATTERS

Principle 1 ***Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.***

The Board's Conduct of its Affairs

The Board has the responsibility for the overall management of the Company. It establishes the corporate strategies of the Company as well as sets the direction and goals for the executive management. It supervises the executive management and monitors performance of these goals to enhance shareholders' value. The Board is also responsible for implementing and maintaining sound corporate governance practices for the Company.

The Board has established an internal framework to ensure that the type of material transactions that require the Board's approval is consistently applied throughout the Group. Matters requiring Board approval include:

(a) Overall Company business and budget strategy;
(b) Capital expenditures, investments or divestments exceeding material limits;
(c) All capital-related matters including capital issuance;
(d) Significant policies governing the operations of the Company;
(e) Corporate strategic development and restructuring;
(f) Material acquisitions and disposals of assets;
(g) Material interested person transactions;
(h) Risk management strategies;
(i) Approval of quarterly, half yearly and year end result announcements and the release thereof; and
(j) Approval of the annual reports and accounts for presentation at Annual General Meeting ("AGM").

The Company's Articles of Association ("Articles") provides for Directors to participate in meetings of Directors by means of conference telephone, video conferencing, audio visual, or other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by each other, without a Director being in the physical presence of the other Directors.

For each newly appointed Director, he/she will receive appropriate training including familiarisation with the Company's business, governance practices and relevant statutory and regulatory compliance issues to ensure that he/she has a proper understanding of the Company and is fully aware of his/her responsibilities and obligations of being a Director of a listed company. To get a better understanding of the Group's business, the Directors are given the opportunity to visit the Group's operational facilities and meet with the key management personnel. The Company will also provide each newly appointed Director with a formal letter of appointment setting out the Director's duties and responsibilities.

The Company is responsible for arranging and funding the training of Directors. Directors are updated with the latest professional developments in relation to the Listing Rules and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure the compliance of the same by all Directors.

To facilitate effective management and to support the Board in discharging its duties and responsibilities efficiently and effectively, certain functions of the Board have been delegated to various Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and Remuneration Committee (the "**RC**") (collectively the "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis.

The Board conducts regular meetings on a quarterly basis as well as ad-hoc meetings, if warranted by circumstances deemed appropriate by the Board. At those meetings, the Board reviewed the Group's financial performance, annual budget, corporate strategy, business plans, potential acquisitions, risk management policies and significant operational matters. The number of Board and Board Committee meetings held during the financial year ended 31 December 2014 and the attendance of each Director, where relevant, are as follows:

Number of meetings	Board	Audit Committee	Nominating Committee	Remuneration Committee
Narayanan Sreenivasan	4	4	1	1
Ng Weng Sui Harry	4	4	1	1
Professor Toh Chooi Gait	4	4	1	1
Dr Ng Chin Siau	4	N/A	N/A	N/A
Dr Ng Jet Wei	4	N/A	N/A	N/A
Dr Ang Ee Peng Raymond	4	N/A	N/A	N/A

The Board has sought to identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation, including but not limited to the dentists and patients.

The Board has considered sustainability issues, such as environmental and social factors, as part of its strategic formulation of the Company.

Board Composition and Balance

Principle 2 There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises of six (6) Directors of whom three (3) are Executive Directors; three (3) are Non-Executive Independent Directors, which have the appropriate mix of core competencies and diversity of experience to direct and lead the Company. There is a good balance between the executive and non-executive Directors, with a strong and independent element on the Board. As at the date of this report, the Board comprises the following members:

Narayanan Sreenivasan	(Non-Executive Independent Chairman)
Dr Ng Chin Siau	(Executive Director and Group Chief Executive Officer)
Dr Ng Jet Wei	(Executive Director and Deputy Chief Executive Officer)
Dr Ang Ee Peng Raymond	(Executive Director and Chief Operating Officer)
Ng Weng Sui Harry	(Non-Executive and Lead Independent Director)
Professor Toh Chooi Gait	(Non-Executive Independent Director)

The Board considers its current Board size appropriate for the facilitation of decision making, taking into account the nature and scope of operations of the Group. The Board comprises Directors of both gender with strong industry knowledge and diversified background such as legal and accounting, and who collectively bring with them a wide range of experience. The Board is also of the view that the Board comprises persons who as a group provide capabilities required for the Board to be effective. Members of the Board are regularly in touch with the Management to provide advice and guidance on matters for which their expertise will be constructive to the Group.

Each of the Independent Directors has completed an Independent Director's declaration form and confirmed his/her independence. The independence of each Director has been and will be reviewed on an annual basis and as and when the circumstances require, by the NC, with reference to the guidelines as set out in the Code. The NC has determined that the Independent Directors are independent in accordance with the Code. The Non-Executive Independent Directors, Narayanan Sreenivasan, Ng Weng Sui Harry and Professor Toh Chooi Gait have confirmed that they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

With the Independent Directors making up half of the Board, the NC is of the view that there is a strong and independent element on the Board. None of the Independent Directors has served on the Board beyond nine years from the date of first appointment.

The profile of the Directors are found on pages 9 to 10 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

There is a clear division of responsibilities between the Chairman and Group Chief Executive Officer ("Group CEO"), which ensures there is a balance of power and authority, such that no one individual represents a considerable concentration of power. Narayanan Sreenivasan, the Non-Executive Independent Chairman, and Dr Ng Chin Siau, the Group CEO, are not related to each other.

The Group CEO is responsible for the business management and day-to-day operations of the Company. He takes a leading role in developing and expanding the businesses of the Group including making major business and finance decisions. He also oversees the execution of the Company's corporate and business strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Company's businesses.

The Chairman leads the Board discussion and also ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He chairs the Board meetings and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues, and promotes a culture of openness and debate at the Board. He also assists in ensuring compliance with the Group's guidelines on corporate governance. He encourages constructive relations within the Board and between the Board and the Management, and ensures effective communications between the Company and its shareholders.

BOARD MEMBERSHIP

Principle 4 There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

All NC members are Non-Executive Independent Directors, all of whom are independent of the Management. The NC comprises the following members:

Professor Toh Chooi Gait	(Chairperson)
Narayanan Sreenivasan	(Member)
Ng Weng Sui Harry	(Member)

The NC, under its term of reference, is responsible for the following:

(a) recommending to the Board on all board appointments, including re-nominations of existing Directors for re-election in accordance with the Articles of Association of the Company, having regard to the Director's contribution and performance;
(b) determining on an annual basis whether or not a Director is independent;
(c) deciding whether the Director is able to and has been adequately carrying out his/her duties particularly when he/she has multiple board representations;
(d) implementing a process for evaluation and assessing the performance of the Board and contribution of each Director to the effectiveness of the Board.
(e) reviewing and approving any new employment of related persons and their proposed terms of employment;
(f) reviewing and recommending to the Board succession plans for Directors, in particular, the Chairman and the Group CEO; and
(h) the review of training and professional development programs for the Board.

The Company has in place policies and procedures for the selection, appointment and re-appointment of Directors to the Board, including a search and nomination process. The NC will seek to identify the competence required for the Board to fulfil its responsibilities. The NC can also engage recruitment consultants or engage other independent experts to undertake research on, or assess candidates for new positions on the Board. New Directors are appointed by way of Director's resolution, after the NC has reviewed and nominated them by taking into consideration the qualification and experience of each candidate. The Articles have stated clearly the procedures for the appointment of new Directors, re-election and removal of Directors.

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors are required to retire at every AGM of the Company and all Directors are required to retire from office at least once every three (3) years, and such Directors will be eligible for re-election at the meeting at which he retires. The Board has accepted the NC's recommendation to seek shareholders' approval to re-elect Narayanan Sreenivasan and Dr Ng Jet Wei, who are retiring from office by rotation at the forthcoming AGM.

Narayanan Sreenivasan will, upon re-election as a Director of the Company, remain as the Independent Chairman of the Board and a member of the Audit, Nominating and Remuneration Committees.

Dr Ng Jet Wei will, upon re-election as a Director of the Company, remain as the Deputy Chief Executive Officer.

The Articles further provide that any Director appointed to fill a casual vacancy shall hold office only until the next AGM of the Company and shall then be eligible for re-election.

In making the above recommendations, the NC has considered the respective Director's overall performance and contributions. Narayanan Sreenivasan and Dr Ng Jet Wei had each abstained in the NC's deliberation in respect of his performance assessment and re-nomination as a Director of the Company and Narayanan Sreenivasan will be considered independent for the purposes of Rule 704(8) of the Listing Manual upon his re-election as Director.

The NC reviews and determines annually whether Directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his actual conduct on the Board, in making this determination.

For FY2014, the NC was satisfied that, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out, his duties as a Director of the Company. As the time requirement of each Director are subjective, the NC has decided not to fix a maximum limit on the number of directorships a Director can hold. The NC considers that the multiple board representations held presently by its Directors do not impede their respective performance in carrying out their duties for the Company.

Key information regarding the Directors, including their present and past three years' directorship in other listed companies and other principal commitments are set out below:

Director	Position	Date of initial appointment	Date of last re-election / re-appointment	Current directorships in other listed companies	Directorships in other listed companies over the past three years	Principal commitments
Dr Ng Chin Siau	Executive Director and Group CEO	7 January 2008	NA	NA	NA	NA
Dr Ng Jet Wei	Executive Director and Deputy CEO	29 April 2008	26 April 2013	NA	NA	NA
Dr Ang Ee Peng Raymond	Executive Director and Chief Operating Officer	13 June 2008	28 April 2014	NA	NA	NA
Narayanan Sreenivasan	Non-Executive Independent Chairman	14 October 2009	26 April 2012	NA	- UMS Holdings Limited	- Managing Director at Straits Law Practice LLC
Ng Weng Sui Harry	Non-Executive and Lead Independent Director	14 October 2009	28 April 2014	- Artivision Technologies Ltd - Oxley Holdings Limited - IEV Holdings Limited - HG Metal Manufacturing Limited	NA	- Executive Director at HLM (International) Corporate Services Pte Ltd
Professor Toh Chooi Gait	Non-Executive Independent Director	25 June 2013	28 April 2014	NA	NA	- Foundation Dean and Professor of International Medical University, Malaysia

NA – Not applicable

BOARD PERFORMANCE

Principle 5 ***There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.***

The Board has established processes including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors. The Board and individual Directors can direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

The NC examines the Board and the Board Committees' performances covering areas that include the size and composition of the Board, the Board's access to information, Board processes and accountability annually. The NC reviews and evaluates the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole.

For the evaluation process, the Directors will complete a board evaluation questionnaire which seeks to assess the effectiveness of the Board and the Board Committees. The results are then collated by the Company Secretary who will submit to the Chairperson of the NC in the form of a report. The report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board and/or the Board Committees.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC Chairperson. The assessment criteria include, inter alia, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork and overall effectiveness.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the Board Committees and each individual Director has been satisfactory in FY2014.

ACCESS TO INFORMATION

Principle 6 ***In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.***

The Directors have separate and independent access to the Management and the Company Secretary at all times. Requests for information from the Board are dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur so as to enable them to make informed decisions to discharge their duties and responsibilities. The Management provides the Board with quarterly reports of the Company's performance. The Management also consults with Board members regularly whenever necessary and/or appropriate. The Board is issued with board papers in a timely fashion prior to Board meetings.

The Company Secretary administers, attends and prepares minutes of all Board and Board Committee meetings. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and regularly reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole.

The Board in fulfilling its responsibilities, can as a Company or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice at the Company's expense.

REMUNERATION MATTERS

Principle 7 There should be a formal and transparent procedure for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

All RC members are Non-Executive Independent Directors. The RC comprises the following members:

Professor Toh Chooi Gait	(Chairperson)
Narayanan Sreenivasan	(Member)
Ng Weng Sui Harry	(Member)

The RC, under its term of reference, is responsible for the following:

(a) to recommend to the Board a framework of remuneration for the Board and key management personnel, determine specific remuneration packages for each Executive Director and submit such recommendations for endorsement by the entire Board covering all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) to perform annual review of the remuneration of employees related to the Directors and Substantial Shareholders to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities which include to review and approve any bonuses, pay increases and/or promotions for these employees;

(c) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will expire or have expired;

(d) to recommend the remuneration of Non-Executive Directors appropriate for the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors; and

(e) to consider the various disclosure requirements for Director's and senior management's remuneration, particularly those required by regulatory bodies such as the Singapore Exchange Securities Trading Limited ("SGX-ST"), and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

In discharging its duties, the RC meets annually to review and make recommendations on the specific remuneration packages for the Directors and key management personnel. The recommendations of the RC will be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind, will be covered by the RC.

Where applicable, the RC will also review annually the remuneration of employees related to the Directors and Substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

The RC may from time to time, and where required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. If external consultants are appointed, the RC will ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. The expense of such services shall be borne by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 8 ***The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than in necessary for this purpose.***

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key management personnel. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performance executives so as to drive the Group's businesses to greater growth, efficiency and profitability.

The RC seeks to ensure that the level and mix of remuneration of Executive Directors and key management personnel is competitive, relevant and appropriate in linking awards with performance and that the amount and mix of compensation is aligned with the interests of shareholders and promotes the long-term success of the Group.

The Executive Directors', namely the Group CEO, Deputy CEO and Chief Operating Officer, remuneration are set out in their one (1) year service agreements with automatic renewal annually on such terms and conditions as the parties may agree commencing from 1 April 2011 (unless otherwise terminated by either party giving not less than six (6) months' notice to the other), and consists mainly of salary. In accordance with the said service agreement, each of them is entitled to receive a variable bonus at such rates or on such terms as may be determined and approved by the RC of the Company.

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and comparable companies and the broad guidelines recommended by the Singapore Institute of Directors. The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution and responsibilities of the Non-Executive Directors.

The Director's fee for each of the Executive Director shall be agreed or determined by the RC of the Company.

The Company will submit the quantum of Directors' fees to the shareholders for approval at the AGM annually.

DISCLOSURE ON REMUNERATION

Principle 9 ***Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.***

A breakdown showing the level and mix of each individual Director's remuneration payable for FY2014 is as follows:

Name	Remuneration Band		Salary	Bonus	Benefits [1]	Professional Fees [2]	Directors' Fees +	Total
	Below $250,000	$250,000 to $500,000	%	%	%	%	%	%
Narayanan Sreenivasan	√		0.0	0.0	0.0	0.0	100	100
Ng Weng Sui Harry	√		0.0	0.0	0.0	0.0	100	100
Professor Toh Chooi Gait	√		0.0	0.0	0.0	0.0	100	100
Dr Ng Chin Siau		√	81.3	7.3	3.1	0.0	8.3	100
Dr Ng Jet Wei		√	63.0	8.6	4.4	16.2	7.8	100
Dr Ang Ee Peng Raymond		√	57.5	6.7	3.6	26.1	6.1	100

+ The Directors' Fees are subject to approval by shareholders at the forthcoming AGM

Remuneration Band of key executives is set out below:

Name	Remuneration Band	Salary	Bonus	Benefits [1]	Total
	Below $250,000	%	%	%	%
Foo Siew Jiuan [3]	√	77.7	14.7	7.6	100
Sim Yu Xiong	√	84.7	11.2	4.1	100
Ng Sook Hwa [3]	√	76.9	15.3	7.8	100
San Yi Leong [3]	√	78.0	13.8	8.2	100
Cheah Kim Fee	√	82.2	10.2	7.6	100

Notes:-

1. Benefits refer to mainly employer's contribution to the Central Provident Fund.
2. Professional fees refer to fees received as a practising dentist from certain wholly-owned subsidiaries of the Company.
3. Key executives who are related to the Group CEO and Executive Director, Dr Ng Chin Siau.
   (i) Foo Siew Jiuan is the wife of Dr Ng Chin Siau.
   (ii) Ng Sook Hwa is the sister of Dr Ng Chin Siau.
   (iii) San Yi Leong is the brother-in-law of Dr Ng Chin Siau and husband of Ng Sook Hwa.

The total remuneration paid to the top five key management personnel was S$902,000 for FY2014.

The remuneration of the Company's top five key management personnel takes into account the pay and employment conditions within the industry and is performance-related.

The Company is of the opinion that it is not in the best interest of the Company to disclose the exact details of remuneration of the Directors and key management personnel due to the competitiveness of the industry for key talent.

All Directors and the key management personnel are remunerated on an earned basis and there was no termination, retirement and post-employment benefits granted during FY2014.

Save as disclosed, there are no employees who are immediate family members of a Director or the Group CEO, and whose remuneration exceeds S$50,000 during the year.

On 23 May 2011, options to subscribe for 906,000 ordinary shares (post share split in 2012) at an exercise price of S$0.87 were granted to Dr Ng Chin Siau (controlling shareholder) and his Associates pursuant to the Q & M Employee Share Option Scheme. As at 31 December 2014, the options for 604,000 ordinary shares have been exercised whilst the options for 302,000 ordinary shares have expired.

The Board has sought to link the quantum of salary to the current market for the Executive Directors and key management personnel taking into consideration their respective roles and responsibilities. Bonuses are paid based on the individual performances and the performance of the Company as a whole. The Board has not granted any long term incentive scheme for the current year.

ACCOUNTABILITY AND AUDIT

Principle 10 The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information that present a balanced and understandable assessment of the Company's performance, position and prospects and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the legally prescribed periods.

The Management provides the Board with updates covering operational performance, financial results, marketing and business development and other relevant information on a regular basis as the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11 The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Management that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks.

The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities.

The Company has appointed an independent third party, Nexia TS Risk Advisory Pte Ltd ("Nexia TS" or "IA") to perform internal audit reviews and to highlight all significant matters to the Management and the AC. Based on the work performed by the IA, the Board has determined the Company's levels of risk tolerance and risk policies, and overseen the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has also received assurance from the Group CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained, the financial statements give a true and fair view of the Company's operations and finances, and the Company's risk management and internal control systems are effective.

Based on the report of the IA and internal controls established and maintained by the Group, actions taken by the Management, assurances from the Group CEO and CFO as well as reviews performed by the internal auditors and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risk of the Group for FY2014.

The Company prohibits its officers from dealing in the Company's shares on short term considerations. They are required to observe insider trading provisions under the Securities and Future Act at all times even when dealing in the Company's securities in the permitted periods.

AUDIT COMMITTEE

Principle 12 The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The role of the AC is to assist the Board with regard to the discharge of its responsibility to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Company, and that the Management demonstrates and stimulates the necessary aspect of the Company's internal control structure among all parties.

All Audit Committee members are Non-Executive Directors. The Audit Committee comprises the following members:

Ng Weng Sui Harry	(Chairman)
Narayanan Sreenivasan	(Member)
Professor Toh Chooi Gait	(Member)

The AC meets at least quarterly to discuss and review the following where applicable:

(a) review with the external and internal auditors, the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;

(b) review the quarterly, half yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;

(c) review the internal control procedures and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) review and discuss with external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;

(e) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

(f) review transaction falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

(g) review any potential conflicts of interest;

(h) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(i) review the Company's key financial risk areas, with a view to providing an independent oversight on the Company's financial reporting. The outcome of these reviews will be disclosed in the annual report of the Company or where the findings are material, immediately announced via SGXNet;

(j) generally to undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time;

(k) review the Rule 716 of the Listing Manual of the SGX-ST that if different auditors are appointed for its subsidiaries or significant associated companies, the AC must be satisfied that the appointment would not compromise the standard of effectiveness of the audit;

(l) review the significant financial reporting issues and judgement so as to ensure the integrity of the financial statements of the Company and any formal announcement relating to the Company's financial performance;

(m) review the scope and results of the audit, its cost effectiveness, the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, the nature and extent of such services should be reviewed in order to balance the maintenance of objectivity and value for money;

(n) ensure that the internal auditor's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Group CEO. The internal auditor should meet or exceed the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors;

(p) review and report to the Board annually on the effectiveness and adequacy of the Group's risk management and internal controls systems in addressing the financial, operational, compliance and information technology risk;

(q) investigate any matter within its terms of reference, having full access to and co-operation from the Management and full discretion to invite any Executive Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly; and

(r) provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith, a whistle blowing reporting policy has been established by the Company for its employees.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice, if it deems necessary, in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC, having reviewed the range and value of non-audit services performed by the external auditors, RSM Chio Lim LLP, was satisfied that the nature and extent of such services has not prejudiced the independence and objectivity of external auditors. Therefore, the AC recommends the re-appointment of RSM Chio Lim LLP as external auditors at the forthcoming AGM. There is no disagreement between the Board and the AC regarding the selection, appointment, resignation or dismissal of external auditors. During the financial year under review, the Company has incurred an aggregate $314,000 payable to the external auditors for its audit services, and has incurred an aggregate of $12,000 payable to the external auditors for its other non-audit professional services. The Company confirms that it has complied with Rules 712 and 715 of the Main Board Listing Rules in engaging RSM Chio Lim LLP, registered with the Accounting and Corporate Regulatory Authority Singapore, as the external auditors of the Company and local subsidiaries. The Company also confirmed that it has complied with Rule 716 of the Main Board Listing Rules in engaging different auditing firms for its foreign subsidiaries.

The Company has put in place a whistle-blowing policy to provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. All complaints or information would be forwarded to the Chairman of AC or CFO of the Company.

The AC has full access to and co-operation from the Management and has full discretion to invite any Executive Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC meets with the internal and external auditors, at least once a year, without the presence of the Management. The AC held four (4) meetings during the year under review.

INTERNAL AUDIT

Principle 13 The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company's internal audit function is outsourced to Nexia TS that reports directly to the AC Chairman and administratively to the Group CEO. The Board is of the view that the outsourcing of the internal audit function had deliver enhanced independence as well as improve the quality of the audit as the IA is adequately qualified and equipped with a broad range of expertise with advanced degrees and technological specialisation to discharge its duties effectively.

The Board recognises that it is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's business and assets.

The primary functions of internal audit are to:

(a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Company and to ensure control procedures are complied with;

(b) conduct regular in-depth audits of high-risk areas; and

(c) identify and recommend improvement to internal control procedures, where required.

The AC has reviewed the report submitted by Nexia TS on internal procedures and the internal controls in place, and is satisfied that there are adequate internal controls in the Company. The AC will review on an annual basis the adequacy and effectiveness of the internal audit function.

The AC is also of the view that the outsourced internal audit function is staffed with persons with the relevant qualifications and experience, and adheres to professional standards including those promulgated by the relevant local or international recognised professional bodies.

SHAREHOLDERS' RIGHTS AND RESPONSIBILITES

Principle 14 Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company is committed to making timely and accurate announcements of all material information to the shareholders that would be likely to materially affect the value of the Company's shares.

The Company ensures that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. The Chairman briefs the shareholders on the rules, including voting procedures, that govern general meetings of shareholders and addresses any queries that they may have on the procedures.

COMMUNICATION WITH SHAREHOLDERS

Principle 15 Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not practise selective disclosure. In line with the continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Company.

Information is disseminated to shareholders on a timely basis through:

- Announcements and news releases on SGXNet.
- Annual Report prepared and issued to all shareholders.
- Notices of shareholders' meetings are published in the local newspapers and announced via SGXNET.

Regular briefings are also organised for media and analysts to ensure a better appreciation of the Company's performance and developments. To enhance and encourage communication with shareholders and investors, the Company provides the contact information (email address and phone number) of the staff handling its investor relations. The Board has taken to solicit and understand the views of the shareholders through analyst briefings and investor roadshows conducted by the Management.

The Company's corporate website at www.QandMDental.com.sg also provides updated information to investors on its latest financial results and corporate developments.

The Company does not have a policy on the payment of dividend, however it has been declaring dividends at half-year and final year-end intervals. Any dividend pay outs are clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16 Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company's General Meetings (AGM and/or Extraordinary General Meeting ("EGM") where applicable), are the principal forums for dialogue with shareholders. The Chairman of the AC, RC and NC as well as the Board will be present and available at the Company's AGMs and EGMs to address questions from shareholders. The external auditors will also be present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Shareholders are encouraged to attend the AGM and EGM to ensure a high level of accountability and to stay apprised of the Company's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the General Meetings will be advertised in newspapers and announced on SGXNET.

The Company's Articles allow a shareholder entitled to attend and vote to appoint not more than two proxies who need not be a shareholder of the Company, to attend and vote at the meetings. The Company ensures that there are separate resolutions at general meetings on each distinct issue. All resolutions voting results will be announced via SGXNET after the conclusion of the general meeting.

The proceeding of the general meeting will be properly recorded, including all substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management. All minutes of general meetings will be opened for inspection by shareholders upon their request.

USE OF PROCEEDS

The $16.78 million raised from the private placement on 17 January 2013 has been fully utilised by the Company for clinics expansion, investment and working capital in Singapore, Malaysia and China. The details of the usage are as follows:

	$'000
To fund clinics' expansion and working capital in Singapore, as well as investment and working capital in Malaysia and China	
- For clinics expansion and working capital in Singapore	10,480
- For investment and working capital in China	3,300
- For investment and working capital in Malaysia	3,000
Total proceeds utilised as at 31 December 2014	16,780

The Company has also fully utilised US$5 million IFC convertible loan for acquisition and working capital in China.

Out of the $13 million raised from the rights issue on 10 December 2014, the Company has used $1.1 million for the acquisition of Aoxin Stomatology Group.

DEALING IN SECURITIES

[Rule 1207(18) of the Listing Manual of the SGX-ST]

The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

In line with Rule 1207 (18) of the Listing Manual of the SGX-ST on Dealings in Securities, the Company issues a quarterly letter to its Directors, officers and employees prohibiting dealings in listed securities of the Company from two (2) weeks or one (1) month, as the case may be, before the announcement of the Company's quarterly and annual financial results and ending on the date of the announcement of the relevant results.

The Directors and employees are expected to observe the insider trading laws at all times even when dealing in the Company's securities within permitted trading period. The Company has also devised and adopted its own 'Code of Best Practices on Dealing in the Company's Securities' to provide guidance to its Directors, officers and employees with regard to dealing in the Company's securities.

RISK MANAGEMENT

[Rule 1207(4)(b)(iv) of the Listing Manual of the SGX-ST]

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

MATERIAL CONTRACTS

[Rule 1207(8) of the Listing Manual of the SGX-ST]

There was no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Group CEO, any Director, or controlling shareholder subsisting at the end of financial year ended 31 December 2014.

INTERESTED PERSON TRANSACTIONS

[Rule 907 of the Listing Manual of the SGX-ST]

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

Particulars of the interested person transactions for the financial year ended 31 December 2014, disclosed in accordance with Rule 907 of the Listing Manual of the SGX-ST were set out below.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (excluding transactions less than $100,000)
Nil		

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company actively supports various charitable organisations and donates on a regular basis. In 2014, the Company made donations to the Tsao Foundation and the Singapore Children Society. The Company also regularly provided financial assistance to fund dental mission trips to various parts of the world. In addition, the Company engaged in various events and programs organised by the National University of Singapore's Dental Society including sponsorship for dental students' freshmen orientation program. The Company had also contributed RMB 500,000 to the "Q & M Dental Group (Singapore) – Liaoning Medical University Principal Fund". This Fund will be used to support and encourage new innovations and research, fund students from low income families, fund short term study trips to Singapore and also to provide funding for dental students to attend additional dentistry skills training.

Directors' Report

The directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the reporting year ended 31 December 2014.

1. Directors at Date of Report

The directors of the Company in office at the date of this report are:

Dr Ng Chin Siau
Dr Ng Jet Wei
Dr Ang Ee Peng Raymond
Narayanan Sreenivasan
Ng Weng Sui Harry
Professor Toh Chooi Gait

2. Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the options as stated in paragraph 5 below.

3. Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the reporting year had no interests in the share capital and options of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interests are held	Direct Interest: At beginning of the reporting year	Direct Interest: At end of the reporting year	Deemed Interest: At beginning of the reporting year	Deemed Interest: At end of the reporting year
The Company – Q & M Dental Group (Singapore) Limited	**Number of shares of no par value**			
Dr Ng Chin Siau	8,000,092	10,080,110	391,999,908	406,385,529
Narayanan Sreenivasan	200,000	240,000	–	–
Ng Weng Sui Harry	200,000	240,000	–	–
Ultimate parent company – Quan Min Holdings Pte. Ltd.				
Dr Ng Chin Siau	16,837,826	178,551,814	–	–
Dr Ng Jet Wei	5,329,191	56,614,415	–	–
Dr Ang Ee Peng Raymond	962,820	10,552,502	–	–

3. Directors' Interests in Shares and Debentures (Cont'd)

By virtue of section 7 of the Act, Dr Ng Chin Siau is also deemed to have an interest in all the related corporations of the Company.

The directors' interests as at 21 January 2015 were the same as those at the end of the reporting year.

4. Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest, except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain directors have an interest.

5. Share Options

The Company has adopted an employee share option scheme known as the "Q & M Employee Share Option Scheme" (the "Scheme") on 26 April 2011. The Scheme, which forms an integral component of its compensation plan, is designed to reward and retain eligible participants whose services are important to its continued well being and success. It provides eligible participants who have contributed to the growth and performance of the Group with an opportunity to participate and also motivate these participants to greater dedication, loyalty and higher standards of performance and to give recognition to past contributions and services.

Under the rules of the Scheme, the directors and employees of the Group are eligible to participate in the Scheme. Controlling shareholders or their associates are also eligible to participate in the Scheme subject to the approval of independent shareholders in the form of separate resolutions for each participant. Further, independent shareholders' approval is also required in the form of separate resolutions for each grant of options and the terms thereof, to each participant who is a controlling shareholder or his associate.

The total number of shares over which options may be granted shall not exceed 15% of the issued share capital (excluding Treasury Shares) of the Company on the date immediately preceeding the Date of Grant.

A Scheme Committee is charged with the administration of the Scheme in accordance with the rules of the Scheme. The Committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the board of directors. The number of shares comprised in options offered to a participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service, potential contribution of the participant provided that: (a) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the Scheme (including adjustments under the rules) shall not exceed 25% of the shares available under the Scheme; and (b) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the Scheme shall not exceed 10% of the shares available under the Scheme.

5. Share Options (Cont'd)

(a) Exercise Price

The exercise price for each share in respect of which an option is exercisable shall be determined by the Committee at its absolute discretion, on the date of grant, at:-

(i) the market price; or

(ii) a price which is set at a discount to the market price (incentive price), the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

(b) Exercise Period

Unless otherwise determined in the sole discretion of the Committee, options granted shall be exercised in the following manner:-

(i) in the case of market price options granted to a participant:- (i) one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the first anniversary of the date of grant of that option; (ii) the next one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; and (iii) the remaining one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company; and

(ii) in the case of incentive options granted to a participant:- (i) one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; (ii) the next one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option; and (iii) the remaining one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the fourth anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company.

Market price options may only be exercised after the first anniversary of the date of grant of such options. Incentive options may only be exercised after the second anniversary of the date of grant of such options. There are special provisions dealing with the lapsing or permitting the earlier exercise of options under certain circumstances including termination, bankruptcy, and death of the participant.

5. Share Options (Cont'd)

5A. Activities under the Share Options Scheme:

The outstanding number of options at the end of the reporting year was:

Exercise Price	Grant date	Exercise Period	Options to subscribe number of ordinary shares as at 31 December	
			2014	2013
			'000	'000
$0.435	23 May 2011	From 24 May 2012 to 23 May 2014	–	302
$0.435	23 May 2011	From 24 May 2013 to 23 May 2015	–	302
$0.435	23 May 2011	From 24 May 2014 to 23 May 2016	–	302
			–	906

During the reporting year, 302,000 (post share split) options lapsed and 604,000 share options were exercised. There are no share options outstanding as at 31 December 2014.

The following table summarises information about director share options outstanding at the end of the reporting year:

Participants	Balance at 1.1.2014	Lapsed	Exercised	Balance at 31.12.2014
	'000	'000	'000	'000
Director of the Company:				
Dr Ng Chin Siau	600	(200)	(400)	–
Associates of director and controlling shareholder of the Company:				
Ms Foo Siew Jiuan	150	(50)	(100)	–
Ms Ng Sook Hwa	112	(37)	(75)	–
Ms Ng Sook Jing	44	(15)	(29)	–
Total	906	(302)	(604)	–

On 23 July 2014, 604,000 share options were exercised at the exercise price of $0.435 each.

6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

7. Audit Committee

The members of the audit committee at the date of this report are as follows:

Ng Weng Sui Harry (Chairman)	(Non-Executive and Independent Director)
Professor Toh Chooi Giat	(Non-Executive and Independent Director)
Narayanan Sreenivasan	(Non-Executive and Independent Director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan.
- Reviewed with the independent external auditors their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the management to them.
- Reviewed with the internal auditors the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the Company.

8. Directors' Opinion on the Adequacy of Internal Controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committee of the board, the audit committee and the board are of the opinion that Company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2014.

9. **Subsequent Developments**

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 27 February 2015, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On Behalf of the Directors

....	....
Dr Ng Chin Siau	Dr Ng Jet Wei
Director	Director

1 April 2015

Statement by Directors

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the reporting year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On Behalf of the Directors

....	....
Dr Ng Chin Siau	Dr Ng Jet Wei
Director	Director

1 April 2015

Independent Auditor's Report

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED (Registration No: 200800507R)

Report on the Financial Statements

We have audited the accompanying financial statements of Q & M Dental Group (Singapore) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 39 to 110, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statements of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED (Registration No: 200800507R)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

1 April 2015

Partner-in-charge of audit: Goh Swee Hong
Effective from year ended 31 December 2011

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 31 December 2014

		Group	
		2014	2013
	Notes	$'000	$'000
Revenue	5	100,284	71,154
Other Items of Income			
Interest Income		57	102
Other Gains	9	1,016	1,937
Other Items of Expense			
Consumables, Dental Supplies and Dental Supplies Manufacturing Used		(15,701)	(7,730)
Employee Benefits Expense	6	(54,355)	(43,897)
Depreciation and Amortisation Expense	13 and 16B	(2,820)	(1,979)
Rental Expense	34	(8,503)	(6,905)
Finance Costs	7	(516)	(365)
Other Expenses	8	(7,443)	(5,224)
Other Losses	9	(237)	(250)
Share of Profit from Equity – Accounted Associates	15	2	146
Profit Before Tax From Continuing Operations		11,784	6,989
Income Tax Expense	10	(1,270)	(486)
Profit From Continuing Operations, Net of Tax		10,514	6,503
Other Comprehensive Income:			
Exchange Differences on Translating Foreign Operation, Net of Tax		206	143
Other Comprehensive Income for the Year, Net of Tax		206	143
Total Comprehensive Income for the Year		10,720	6,646
Profit Attributable to Owners of the Parent, Net of Tax		8,567	6,461
Profit Attributable to Non-Controlling Interests, Net of Tax		1,947	42
Profit Net of Tax		10,514	6,503
Total Comprehensive Income Attributable to Owners of the Parent		8,773	6,604
Total Comprehensive Income Attributable to Non-Controlling Interests		1,947	42
Total Comprehensive Income		10,720	6,646
Earnings per Share			
Earnings per Share Currency Unit		Cents	Cents
Basic – Continuing Operations	11	1.20	0.93
Diluted – Continuing Operations	11	1.20	0.93

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2014

	Notes	Group 2014	Group 2013	Company 2014	Company 2013
ASSETS		$'000	$'000	$'000	$'000
Non-Current Assets					
Property, Plant and Equipment	13	37,392	15,364	372	280
Investment in Subsidiaries	14	–	–	10,465	4,852
Investment in Associates	15	15	3,452	–	–
Intangible Assets	16	35,254	5,453	–	–
Other Receivables	19	483	342	130	–
Other Assets	20	663	949	313	543
Total Non-Current Assets		73,807	25,560	11,280	5,675
Current Assets					
Assets Held for Sale Under FRS 105	17	3,439	–	–	–
Inventories	18	8,627	4,113	–	–
Trade and Other Receivables	19	16,309	7,737	61,440	32,189
Other Assets	20	2,802	1,475	1,185	857
Cash and Cash Equivalents	21	35,681	28,749	14,692	9,556
Total Current Assets		66,858	42,074	77,317	42,602
Total Assets		140,665	67,634	88,597	48,277
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Parent					
Share Capital	22	68,470	39,722	68,470	39,722
Retained Earnings		7,821	5,826	294	190
Other Reserves	23	346	543	–	403
Equity Attributable to Owners of the Parent		76,637	46,091	68,764	40,315
Non-Controlling Interests		8,412	623	–	–
Total Equity		85,049	46,714	68,764	40,315
Non-Current Liabilities					
Provisions	24	437	350	–	–
Deferred Tax Liabilities	10	823	813	–	–
Other Financial Liabilities	26	28,517	8,699	15,000	5,918
Total Non-Current Liabilities		29,777	9,862	15,000	5,918
Current Liabilities					
Income Tax Payable		989	50	5	5
Trade and Other Payables	25	21,031	10,777	1,828	2,039
Other Financial Liabilities	26	3,819	231	3,000	–
Total Current Liabilities		25,839	11,058	4,833	2,044
Total Liabilities		55,616	20,920	19,833	7,962
Total Equity and Liabilities		140,665	67,634	88,597	48,277

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity
Year Ended 31 December 2014

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained Earnings	Other Reserves	Non-Controlling Interests
Group:	$'000	$'000	$'000	$'000	$'000	$'000
Current Year:						
Opening Balance at 1 January 2014	46,714	46,091	39,722	5,826	543	623
Movements in Equity:						
Total Comprehensive Income for the Year	10,720	8,773	–	8,567	206	1,947
Conversion of Convertible Loan to Equity	(320)	(320)	–	–	(320)	–
Acquisition of a Non-Controlling Interest Without a Change in Control	–	(29)	–	(29)	–	29
Issue of Share Capital (Note 22)	28,797	28,797	28,797	–	–	–
Share Issue Expenses (Note 22)	(374)	(374)	(374)	–	–	–
Expiry of Share Options (Note 29)	(21)	(21)	–	–	(21)	–
Exercise of Share Options (Note 22)	263	263	325	–	(62)	–
Dividends Paid (Note 12)	(6,543)	(6,543)	–	(6,543)	–	–
Contribution by Non-Controlling Interests	5,813	–	–	–	–	5,813
Closing Balance at 31 December 2014	85,049	76,637	68,470	7,821	346	8,412
Previous Year:						
Opening Balance at 1 January 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 (Note 22)	16,775	16,775	16,775	–	–	–
Share-based Payments (Note 29)	17	17	–	–	17	–
Dividends Paid (Note 12)	(6,145)	(6,145)	–	(6,145)	–	–
Contribution by Non-Controlling Interests	481	–	–	–	–	481
Closing Balance at 31 December 2013	46,714	46,091	39,722	5,826	543	623

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity
Year Ended 31 December 2014

Company:	Total Equity $'000	Share Capital $'000	Other Reserves $'000	Retained Earnings $'000
Current Year:				
Opening Balance at 1 January 2014	40,315	39,722	403	190
Movements in Equity:				
Total Comprehensive Income for the Year	6,647	–	–	6,647
Exercise of Share Options (Note 22)	263	325	(62)	–
Issue of Share Capital (Note 22)	28,797	28,797	–	–
Conversion of Convertible Loan to Equity	(320)	–	(320)	–
Share Issue Expenses (Note 22)	(374)	(374)	–	–
Expiry of Share Options (Note 29)	(21)	–	(21)	–
Dividends Paid (Note 12)	(6,543)	–	–	(6,543)
Closing Balance at 31 December 2014	68,764	68,470	–	294
Previous Year:				
Opening Balance at 1 January 2013	23,790	22,947	386	457
Movements in Equity:				
Total Comprehensive Income for the Year	5,878	–	–	5,878
Issue of Share Capital (Note 22)	16,775	16,775	–	–
Share-based Payments (Note 29)	17	–	17	–
Dividends Paid (Note 12)	(6,145)	–	–	(6,145)
Closing Balance at 31 December 2013	40,315	39,722	403	190

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year Ended 31 December 2014

	Group	
	2014	2013
	$'000	$'000
Cash Flows From Operating Activities		
Profit Before Tax	11,784	6,989
Adjustments for:		
Interest Income	(57)	(102)
Interest Expense	516	365
Depreciation of Plant and Equipment and Amortisation Expenses	2,820	1,979
Loss/(Gain) on Disposal of Plant and Equipment, net	88	(1,255)
Gain on Disposal of Subsidiary	(125)	–
Foreign Currency Translation Reserve	390	247
Share Option Expense	(20)	17
Provisions	111	–
Share of Profit from Associates	(2)	(146)
Operating Cash Flows Before Changes in Working Capital	15,505	8,094
Cash Pledged for Bank Facilities	(37)	–
Inventories	(2,503)	(750)
Trade and Other Receivables	(4,285)	(2,346)
Other Assets	(1,071)	(273)
Trade and Other Payables	3,578	(103)
Net Cash Flows From Operations	11,187	4,622
Income Taxes Paid	(602)	(487)
Net Cash Flows From Operating Activities	10,585	4,135
Cash Flows Used in Investing Activities		
Purchase of Plant and Equipment	(17,325)	(3,350)
Disposal of Subsidiary (Note 28)	146	–
Disposal of Property, Plant and Equipment	68	5,123
Trade and Other Receivables	240	284
Other Assets	30	(504)
Other Receivables, Non-Current	(141)	238
Acquisition of Subsidiary (Note 27)	(21,896)	(5,443)
Interest Received	57	102
Net Cash Flows Used in Investing Activities	(38,821)	(3,550)
Cash Flows From Financing Activities		
Dividends Paid to Equity Owners	(6,543)	(6,145)
Proceeds from Placement Shares	–	16,775
Share Issue Expenses	(374)	–
Exercise of Shares Option	263	–
Bank Loans	29,700	–
Bill Payables	125	–
Proceeds from Rights Issue	12,977	–
Finance Lease Repayments	(28)	(375)
Repayment of Bank Loans	(473)	(288)
Interest Paid	(516)	(290)
Net Cash Flows From Financing Activities	35,131	9,677
Net Increase in Cash and Cash Equivalents	6,895	10,262
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	28,749	18,487
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 21)	35,644	28,749

The accompanying notes form an integral part of these financial statements.

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement of directors.

The principal activities of the Company are that of a management and consultancy services and investment holding. It is listed on the Singapore Exchange Securities Trading Limited, ("SGX-ST").

The principal activities of the subsidiaries are described in the Note 14 to the financial statements.

The registered office is: 81, Science Park Drive, #02-04 The Chadwick Singapore 118257. The Company is situated in Singapore.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

2. Summary of Significant Accounting Policies (Cont'd)

Basis of Presentation (Cont'd)

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

The equity accounting method is used for associates in the Group financial statements.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from rendering of services that are of short duration is recognised when the services are completed. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method.

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice. Sign-on bonuses are expensed over the duration of the employee's service agreement.

2. Summary of Significant Accounting Policies (Cont'd)

Share-Based Compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using the Trinomial Option Pricing Model. The expected lives used in the model are adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations. At end of each reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

2. Summary of Significant Accounting Policies (Cont'd)

Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Segment Reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	–	10%
Furniture and fittings and equipment	–	10% - 33.3%
Leasehold property	–	Over the terms of lease that is 1.25% - 1.4%
Motor vehicle	–	10% - 25%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. Summary of Significant Accounting Policies (Cont'd)

Property, Plant and Equipment (Cont'd)

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at end of each reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 24 on non-current provisions.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (Cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

2. Summary of Significant Accounting Policies (Cont'd)

Business Combinations

Business combinations are accounted for by applying the acquisition method.

A business combination is transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Where the fair values are estimated on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Summary of Significant Accounting Policies (Cont'd)

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) are tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful life is as follows:

Customers list	5 years

2. Summary of Significant Accounting Policies (Cont'd)

Assets Classified as Held for Sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by FRS 105 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

2. Summary of Significant Accounting Policies (Cont'd)

Financial Liabilities (Cont'd)

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Convertible Loan Notes

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the entity, is included in capital reserves in equity. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds. The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

Classification of Equity and Liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

2. Summary of Significant Accounting Policies (Cont'd)

Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Non-Controlling Interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of Significant Accounting Policies (Cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade and other receivables:

An allowance is made for doubtful trade and other receivables for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 19 on trade and other receivables.

Net realisable value of inventories:

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the Note 18 on inventories.

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (Cont'd)

Income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 10 on income tax.

Sign-on bonuses:

The Group entered into service agreements with certain of its dentists and doctors. Certain of these service agreements include sign-on bonuses that are paid to the dentists and doctors concerned. The carrying value of the deferred sign-on bonuses is $966,000 at the end of the reporting year. An assessment is made at each reporting date whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts are determined for each relevant dentist or doctor based on calculations of future profitability generated by the dentist or doctor concerned. These calculations require the use of estimates. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require an adjustment to the carrying amount of the balances affected.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) of the Group at the end of the reporting year affected by the assumption are $37,392,000.

In addition, included in property, plant and equipment of the Group are furniture and fittings and leasehold improvements with a carrying amount of $4,516,000 as at end of the reporting year. Management has depreciated the furniture and fittings on a straight-line basis over their estimated useful lives of 10 years. The terms of the leases for the Group's premises may however be less than 10 years. Management has assumed the Group will be able to renew the terms of its leases on their expiry and hence the estimated useful lives for furniture and fittings of 10 years is appropriate. In the event the Group is not able to renew the terms of its various leases and the Group vacates the relevant premises, the carrying value of furniture and fittings related to the vacated premises would have to be fully impaired.

2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (Cont'd)

Measurement of impairment of subsidiaries:

Where an investee is in net equity deficit and / or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the specific asset or liability (or class of assets or liabilities) at the end of the reporting year affected by the assumption is $1,671,000.

Estimated impairment of goodwill:

An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Note 16. Actual outcomes could vary from these estimates.

Acquisition of Aoxin Stomatology group of companies, Qinhuangdao Aidite High Technical Ceramic Co., Ltd. and Foo & Associates Pte. Ltd.:

As described in Note 27, during the reporting year the acquisitions of the abovementioned subsidiaries were completed. As at the end of the reporting year management completed the initial acquisition accounting on a preliminary basis. The acquisition accounting will be finalised within twelve months and the amounts recorded as in this reporting year could change. This requires judgement because the values had not previously been assigned to the subsidiary as a standalone operation. In addition, determining the assumptions that underlie the initial acquisition accounting and the useful lives associated with the acquired intangible assets involves significant management judgment given the nature of the subsidiaries.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Related Party Relationships and Transactions (Cont'd)

The ultimate controlling party is Dr Ng Chin Siau.

3A. Related companies:

The Company is a subsidiary of Quan Min Holdings Pte. Ltd., incorporated in Singapore that is also the Company's ultimate parent company. Related companies in these financial statements include the members of the ultimate parent company's group of companies.

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. The current balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Directors of Company	
	2014	2013
Group	$'000	$'000
Rental expense	82	87

	Other related parties	
	2014	2013
	$'000	$'000
Rental expense [(a)]	312	298
Professional fees to a firm in which a director is a member	10	121

[(a)] Rental expense paid to the associates of the directors, principal shareholders and their connected companies.

3. Related Party Relationships and Transactions (Cont'd)

3C. Key management compensation:

	Group	
	2014	2013
	$'000	$'000
Salaries and other short-term employee benefits	2,484	3,233

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2014	2013
	$'000	$'000
Remuneration of directors of the Company	1,050	1,006
Fee to directors of the Company	252	234

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The above amounts for key management compensation are for all the directors and other key management personnel. The amounts also include fees paid to directors for dental services rendered in their capacity as dentists.

4. Financial Information by Operating Segments

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management purpose the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) primary healthcare (2) dental equipment & supplies distribution (3) dental supplies manufacturing. Such a structural organisation is determined by the nature of risks and associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

4. Financial Information by Operating Segments (Cont'd)

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (Cont'd)

The following summary describes the operations in each of the Group's operating segments:

(1) Primary healthcare comprising dentistry, family medicine, aesthetic and specialist services.

(2) Dental equipment & supplies distribution comprising distribution of dental supplies and equipment.

(3) Dental supplies manufacturing comprising distribution of manufactured dental supplies.

Performance is measured based on segment results before allocation of corporate management fees, share of results from associates, finance income, dividend income, finance costs and income tax, as included in the internal management reports. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments relative to other entities that operate in similar industries.

Inter-segment sales are based on agreed price lists. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those disclosed in Note 2 to the financial statements.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Profit or Loss

	2014 $'000	2013 $'000
Segment Revenue		
Primary healthcare	84,265	66,897
Dental equipment & supplies distribution	9,375	4,257
Dental supplies manufacturing	6,644	–
Total	100,284	71,154
Segment Result		
Primary healthcare	8,430	7,107
Dental equipment & supplies distribution	378	(264)
Dental supplies manufacturing	2,974	–
Share of profit from equity-accounted associates	2	146
Consolidated profit before income tax	11,784	6,989
Income tax expense	(1,270)	(486)
Profit for the year	10,514	6,503

4. Financial Information by Operating Segments (Cont'd)

4C. Assets and Liabilities Reconciliation

	2014 $'000	2013 $'000
Segment Assets		
Primary healthcare	182,066	100,660
Dental equipment & supplies distribution	12,484	5,501
Dental supplies manufacturing	17,503	–
Elimination of inter-segment assets	(71,388)	(38,527)
Total	140,665	67,634
Segment Liabilities		
Primary healthcare	116,336	56,471
Dental equipment & supplies distribution	6,299	2,901
Dental supplies manufacturing	4,244	–
Elimination of inter-segment liabilities	(71,263)	(38,452)
Total	55,616	20,920
Expenditure for Non-Current Assets		
Primary healthcare	46,859	6,441
Dental equipment & supplies distribution	237	2,672
Dental supplies manufacturing	8,136	–
Total	55,232	9,113

4D. Other Material Items

	2014 $'000	2013 $'000
Depreciation		
Primary healthcare	2,644	1,915
Dental equipment & supplies distribution	77	49
Dental supplies manufacturing	19	–
Total	2,740	1,964
Amortisation		
Primary healthcare	80	15
Dental equipment & supplies distribution	–	–
Dental supplies manufacturing	–	–
Total	80	15
Finance Cost		
Primary healthcare	512	363
Dental equipment & supplies distribution	4	2
Dental supplies manufacturing	–	–
Total	516	365

4. Financial Information by Operating Segments (Cont'd)

4E. Geographical Information

	2014	2013
	$'000	$'000
Revenue		
Singapore	76,848	65,327
Malaysia	9,457	4,462
China	13,979	1,365
Total	100,284	71,154
Non-Current Assets		
Singapore	34,407	15,555
Malaysia	4,477	4,490
China	34,923	5,515
Total	73,807	25,560

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4F. Information about Major Customers

	2014	2013
	$'000	$'000
Top 1 customer in dental equipment & supplies distribution	1,529	–

5. Revenue

	Group	
	2014	2013
	$'000	$'000
Rendering of services	82,985	65,859
Sales of goods	15,899	4,230
Rental income	986	795
Other income	414	270
	100,284	71,154

6. Employee Benefits Expense

	Group 2014 $'000	Group 2013 $'000
Short term employee benefits expense	51,202	41,655
Contributions to defined contribution plans	2,507	1,709
Share option expense (Note 29)	–	17
Other benefits	646	516
Total employee benefits expense	54,355	43,897

Employee benefits expense includes fees paid to dentists for dental services rendered. The fees paid are at certain pre-agreed percentages of fee revenue earned from patients.

7. Finance Costs

	Group 2014 $'000	Group 2013 $'000
Interest expense	516	365

8. Other Expenses

The major components and other selected components include the following:

	Group 2014 $'000	Group 2013 $'000
Utilities	605	519
Repair and maintenance	730	578
NETS and credit card transaction charges	865	719
Legal and professional fees	1,067	1,054

9. Other Gains and (Other Losses)

	Group 2014 $'000	Group 2013 $'000
(Loss)/gain on disposal of plant and equipment, net	(88)	1,255
Foreign exchange adjustment losses	(149)	(250)
Productivity and innovation credits	116	258
Enhanced special employment credit	436	52
Profit guarantee received/receivable from vendors/shareholders	339	372
Gain on disposal of subsidiary (Note 28)	125	–
Net	779	1,687
Presented in profit or loss as:		
Other gains	1,016	1,937
Other losses	(237)	(250)
Net	779	1,687

10. Income Tax Expense

10A. Components of Tax Expense Recognised in Profit or Loss include:

	Group 2014 $'000	Group 2013 $'000
Current tax expense:		
Current tax expense	1,291	238
(Over)/under adjustments to current tax in respect of prior periods	(31)	202
Subtotal	1,260	440
Deferred tax expense:		
Deferred tax expense	115	46
Over adjustments to deferred tax in respect of prior periods	(105)	–
Subtotal	10	46
Total income tax expense	1,270	486

10. Income Tax Expense (Cont'd)

10A. Components of Tax Expense Recognised in Profit or Loss include: (Cont'd)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate.

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2013: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2014	2013
	$'000	$'000
Profit before tax	11,784	6,989
Less: Share of profit from equity-accounted associates	(2)	(146)
	11,782	6,843
Income tax expense at the above rate	2,003	1,163
Effect of different tax rates in different countries	82	(18)
Expenses not deductible for tax purposes	190	–
Income not subject to tax	(27)	(164)
Stepped income exemptions	(147)	(204)
(Over)/under adjustments to current tax in respect of prior periods	(136)	202
Productivity and innovation credit	(781)	(570)
Other minor items less than 3% each	86	77
Total income tax expense	1,270	486

There are no income tax consequences of dividends to owners of the Company.

10B. Deferred Tax Expense Recognised in Profit or Loss include:

	Group	
	2014	2013
	$'000	$'000
Acquisition of subsidiaries	(43)	–
Excess of net book value of plant and equipment over tax values	74	51
Tax loss carry forwards	(21)	(5)
Total deferred income tax expense recognised in profit or loss	10	46

10. Income Tax Expense (Cont'd)

10C. Deferred Tax Balance in the Statement of Financial Position:

	Group	
	2014	2013
	$'000	$'000
Deferred tax (liabilities)/assets recognised in profit or loss:		
Acquisition of subsidiaries	43	–
Excess of net book value of plant and equipment over tax values	(904)	(830)
Tax loss carry forwards	38	17
Total	(823)	(813)
Presented in the statement of financial position as follows:		
Deferred tax liabilities	(823)	(813)

It is impracticable to estimate the amount expected to be settled or used within one year.

11. Earnings per Share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2014	2013
	$'000	$'000
Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders	8,567	6,461
Interest on convertible bonds	–	192
Current and deferred tax on convertible bond interest	–	(9)
Diluted earnings	8,567	6,644

	Group	
	2014	2013 (Restated)
	'000	'000
Denominators: weighted average number of equity shares		
Basic (adjusted for the impact of rights issue)	714,915	693,486
Diluted		
Basic (adjusted for the impact of rights issue)	714,915	693,486
Conversion of convertibles to equity	–	18,261
Diluted	714,915	711,747

The weighted average number of equity shares refers to shares in circulation during the reporting year.

11. Earnings per Share (Cont'd)

The dilutive effect derives from transactions such as call options (Note 22). There is no dilutive effect from the call options which are antidilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

The basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding adjusted for the impact of right issue in 2014.

12. Dividends on Equity Shares

	Group and Company	
	2014	2013
	$'000	$'000
Interim tax exempt dividend paid of 0.41 cents (2013: 0.64 cents) per share	2,547	3,875
First and final tax exempt dividend paid of 0.66 cents (2013: 0.375 cents) per share	3,996	2,270
	6,543	6,145

In respect of the current year, the directors propose that a final dividend of 0.32 cents per share with a total of $2,492,000 be paid to shareholders. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed final dividend for 2014 is payable in respect of all ordinary shares in issue at the end of the reporting year and including the new qualifying shares issued up to the date the dividend becomes payable.

13. Property, Plant and Equipment

Group	Leasehold improvements	Furniture and fittings and equipment	Leasehold property	Construction in progress	Motor vehicle	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost:						
At 1 January 2013	2,425	12,229	7,812	–	42	22,508
Additions	824	2,526	–	–	–	3,350
Arising from acquisition of subsidiaries (Note 27)	101	1,217	–	–	–	1,318
Disposals	(12)	(341)	(3,810)	–	–	(4,163)
Foreign currency translation adjustment	–	(6)	–	–	–	(6)
At 31 December 2013	3,338	15,625	4,002	–	42	23,007
Additions	1,017	3,441	12,702	165	–	17,325
Arising from acquisition of subsidiaries (Note 27)	919	6,529	–	55	92	7,595
Arising from disposal of subsidiary (Note 28)	–	(103)	–	–	–	(103)
Disposals	(89)	(443)	–	–	–	(532)
Foreign currency translation adjustment	56	250	–	4	6	316
At 31 December 2014	5,241	25,299	16,704	224	140	47,608
Accumulated depreciation:						
At 1 January 2013	438	4,797	66	–	13	5,314
Depreciation for the year	315	1,526	96	–	27	1,964
Arising from acquisition of subsidiaries (Note 27)	21	687	–	–	–	708
Disposals	(23)	(182)	(92)	–	–	(297)
Foreign currency translation adjustment	–	(46)	–	–	–	(46)
At 31 December 2013	751	6,782	70	–	40	7,643
Additions	186	2,414	97	–	43	2,740
Arising from acquisition of subsidiaries (Note 27)	29	275	–	–	3	307
Arising from disposal of subsidiary (Note 28)	–	(96)	–	–	–	(96)
Disposals	(58)	(318)	–	–	–	(376)
Foreign currency translation adjustment	–	(2)	–	–	–	(2)
At 31 December 2014	908	9,055	167	–	86	10,216
Net book value:						
At 1 January 2013	1,987	7,432	7,746	–	29	17,194
At 31 December 2013	2,587	8,843	3,932	–	2	15,364
At 31 December 2014	4,333	16,244	16,537	224	54	37,392

13. Property, Plant and Equipment (Cont'd)

A leasehold property at a carrying value of approximately $16,537,000 (2013: $3,932,000) is mortgaged as security for the bank facilities (See Note 26).

Company	Furniture and fittings and office equipment
	$'000
Cost:	
At 1 January 2013	434
Additions	163
At 31 December 2013	597
Additions	231
Disposals	(76)
At 31 December 2014	752
Depreciation:	
At 1 January 2013	204
Depreciation for the year	113
At 31 December 2013	317
Depreciation for the year	104
Disposals	(41)
At 31 December 2014	380
Net book value:	
At 1 January 2013	230
At 31 December 2013	280
At 31 December 2014	372

14. Investment in Subsidiaries

	Company	
	2014	2013
	$'000	$'000
Cost at the beginning of the year	5,095	4,895
Acquisitions	5,600	200
Less: Deregistered	(110)	–
Cost at end of the year	10,585	5,095
Less: Allowance for impairment	(120)	(243)
Net carrying amount	10,465	4,852
Analysis of above amount denominated in non-functional currency:		
Malaysian Ringgit	203	203
Movements in allowance for impairment:		
Balance at beginning of the year	243	135
Impairment loss charged to profit or loss included in other (gains)/losses	(123)	108
Balance at end of the year	120	243

14. Investment in Subsidiaries (Cont'd)

The following subsidiaries are wholly owned by the Group:

Name of Subsidiaries	Cost in books of Group	
	2014	2013
	$'000	$'000
Held by Company		
Q & M Dental Surgery (Admiralty) Pte. Ltd.	100	100
Q & M Dental Surgery (Ang Mo Kio Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Braddell) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Batok) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Panjang) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Timah) Pte. Ltd.	100	100
Q & M Dental Surgery (Clementi Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Clementi) Pte. Ltd.	100	100
Q & M Dental Surgery (Hougang Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Hougang Plaza) Pte. Ltd.	100	100
Q & M Dental Surgery (Jelapang) Pte. Ltd.	100	100
Q & M Dental Surgery (Jurong East Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Kallang MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Khatib) Pte. Ltd.	100	100
Q & M Dental Surgery (Old Airport Rd) Pte. Ltd.	100	100
Q & M Dental Surgery (Pasir Ris) Pte. Ltd.	100	100
Q & M Dental Surgery (Sembawang) Pte. Ltd.	100	100
Q & M Dental Surgery (Sembawang MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Serangoon Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Serangoon North) Pte. Ltd.	100	100
Q & M Dental Surgery (Sims Place) Pte. Ltd. [b]	100	100
Q & M Dental Surgery (Tiong Bahru) Pte. Ltd.	96	96
Q & M Dental Surgery (Toa Payoh) Pte. Ltd.	100	100
Q & M Dental Surgery (Toa Payoh Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Yishun Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Boon Lay) Pte. Ltd.	100	100
Q & M Dental Surgery (Gombak) Pte. Ltd.	17	17
Q & M Dental Surgery (Hougang Mall) Pte. Ltd.	100	100
Q & M Dental Surgery (Serangoon) Pte. Ltd.	100	100
Q & M Dental Surgery (Elias Mall) Pte. Ltd.	100	100
Q & M Dental Surgery (Redhill MRT) Pte. Ltd.	92	92
Q & M Laboratory & Marketing Pte. Ltd. [d]	124	124
Q & M Dental Surgery (Marsiling) Pte. Ltd.	65	65
Q & M Dental Clinic Pte. Ltd.[b][l]	–	–[a]
Q & M Dental Clinic (Clementi) Pte. Ltd.[b][l]	–	–[a]
Q & M Dental Clinic (Gombak) Pte. Ltd.[b][l]	–	100
Q & M Dental Clinic (Serangoon Central) Pte. Ltd.[b][l]	–	– [a]
Q & M Dental Clinic (Tiong Bahru) Pte. Ltd.[b][l]	–	8
Q & M Dental Clinic (Toa Payoh) Pte. Ltd.[b][l]	–	1
Q & M Dental Clinic (Toa Payoh Central) Pte. Ltd.[b][l]	–	1
Q & M Management & Consultancy Pte. Ltd.	52	52
Q & M Dental Surgery (Boon Lay MRT) Pte. Ltd.	100	100

14. Investment in Subsidiaries (Cont'd)

Name of Subsidiaries	Cost in books of Group	
	2014	2013
	$'000	$'000
Held by Company		
Q & M Dental Surgery (Gombak MRT) Pte. Ltd.	100	100
Q & M Mobile Dental Clinic Pte. Ltd.	50	50
Killiney Dental Centre Pte. Ltd.	100	100
Q & M Dental Centre Pte. Ltd.	100	100
Q & M Dental Institute Pte. Ltd.	20	20
Q & M Dental Centre (Orchard) Pte. Ltd.	100	100
Q & M Dental Group (Malaysia) Sdn. Bhd. (c)(i)(j)	203	203
Q & M Dental Holdings (China) Pte. Ltd. (c)	100	100
Dentigiene Dental Surgery Pte. Ltd.	567	567
Q & M Medical Group (Singapore) Pte. Ltd. (c)	200	200
Q & M Dental Centre (Raffles Place) Pte. Ltd. (Previously named as Q-Leap Healthcare Pte. Ltd.)	100	100
Foo & Associates Pte. Ltd. (acquired on 16 July 2014)	5,500	–
Held through subsidiaries		
Dentmedix Pte. Ltd. (e)	164	164
Q & M Dental Laboratory (Zhejiang) Pte. Ltd. (b)(l)	–	–(a)
Quantumleap Healthcare Pte. Ltd. (e)	150	150
Shanghai Meiya Mingxing Dental Polyclinic (f)(h)(k) (disposed on 5 May 2014)	–	101
Shanghai Yumin Investment & Management Co., Ltd. (c)(f)(h)(k)	110	110
Q & M Dental Surgery (Bandar Puteri Puchong) Sdn. Bhd. (i)(j) (2013: 80%)	30	–(a)
Q & M Medical & Aesthetic Clinic (Tampines Central) Pte. Ltd. (g)	50	50
Q & M Medical Aesthetic & Laser Centre Pte. Ltd. (g)	50	50
Q & M Medical & Aesthetic Clinic (Serangoon Garden) Pte. Ltd. (g)	50	50
Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd., formerly known as Medsolutions Pte. Ltd. (g)	80	80
Q & M Medical Clinic (Raffles Place) Pte. Ltd. (g)	50	50

14. Investment in Subsidiaries (Cont'd)

Name of Subsidiaries	Cost in books of Group	
	2014	2013
	$'000	$'000
Held through subsidiaries		
The Digestive & Liver Specialist Centre Pte. Ltd. (g)	100	100
The Lung Specialist Centre Pte. Ltd. (g)	100	100
Q & M Medical Clinic (Serangoon Central) Pte. Ltd.(g)	50	–
Q & M Aidite International Pte. Ltd. (incorporated on 12 March 2014)	–(a)	–

(a) Cost of investment less than $1,000.
(b) These subsidiaries are dormant.
(c) These subsidiaries are investment holding companies.
(d) The principal activities of the subsidiary are investment holding and provision of services related to the dental laboratory business.
(e) The subsidiary is principally engaged in trading of dental surgery materials and equipment.
(f) Deemed subsidiary where shares are held in trust by staffs of Shanghai Q & M Investment Management & Consulting Co., Ltd.
(g) The subsidiary is principally engaged in the provision of general medical services.
(h) Audited by other independent auditors, C&A Yoo Van (China), a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(i) Audited by other independent auditors, GEP Associates, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(j) Incorporated in Malaysia.
(k) Incorporated in People's Republic of China.
(l) These subsidiaries have been deregistered during the year.

The subsidiaries that have non-controlling interests are listed below:

Name of Subsidiaries	Cost in books of Group		Effective Percentage of Equity Held by Group	
	2014	2013	2014	2013
	$'000	$'000	%	%
Held by Company				
Q & M Dental Group (China) Pte. Ltd. (a)	99	99	99	99
Held through subsidiaries				
Shanghai Q & M Investment Management & Consulting Co., Ltd. (b)(f)(h)	65	65	99	99
Q & M Dental Surgery (Molek) Sdn. Bhd. (g)(i)	443	443	70	70
Q & M Dental Surgery (Austin) Sdn. Bhd. (g)(i)	29	29	70	70
Q & M Dental Surgery (Kota Damansara) Sdn. Bhd. (g)(j)	33	33	80	80
D & D Dental Sdn. Bhd. (g)(j)	339	339	70	70
Shanghai Chuangyi Investment and Management Co., Ltd. (f)(k)	1,873	1,873	80	80
Shanghai Kangyi Dental Polyclinic Co., Ltd. (f)(k)	216	216	80	80
AR Dental Supplies Sdn. Bhd. (c)(g)(j)	3,377	3,377	70	70
Q & M Dental (Shenyang) Pte. Ltd. (a)	21,065	–(q)	60	60
NG GK Dental Surgery (Melaka) Sdn. Bhd. (acquired on 8 April 2014) (g)(j)(n)	190	–	70	–
Qinhuangdao Aidite High Technical Ceramic Co., Ltd. (acquired on 13 August 2014) (d)(f)(l)(o)	9,131	–	51	–

14. Investment in Subsidiaries (Cont'd)

Name of Subsidiaries	Cost in books of Group		Effective Percentage of Equity Held by Group	
	2014	2013	2014	2013
	$'000	$'000	%	%
Held through subsidiaries				
Shenyang Aoxin Quanmin Stomatology Hospital Co., Ltd. (acquired on 7 July 2014) (f)(l)(m)(p)	610	–	60	–
Shenyang Xin'ao Hospital Mangement Co., Ltd. (acquired on 7 July 2014) (f)(l)(m)(p)	1,220	–	60	–
Shenyang Heping Quanmin Aoxin Stomatology Polyclinic Co., Ltd. (acquired on 7 July 2014) (f)(l)(m)(p)	203	–	60	–
Huludao City Aoxin Stomatology Polyclinic Co., Ltd. (acquired on 7 July 2014) (f)(l)(m)(p)	102	–	60	–
Huludao City Stomatology Hospital Co., Ltd. (acquired on 7 July 2014) (f)(l)(m)(p)	203	–	60	–
Shenyang Quanxin Medical Equipment Leasing Co., Ltd. (acquired on 7 July 2014) (e)(f)(l)(m)(p)	6,218	–	60	–

(a) These subsidiaries are investment holding companies.
(b) The principal activities of the subsidiary are the provision of consultancy services.
(c) The subsidiary is principally engaged in trading of dental surgery materials and equipment.
(d) The subsidiary is principally engaged in manufacturing and trading of medical and dental instruments and supplies.
(e) The subsidiary is principally engaged in the leasing of dental equipment.
(f) Incorporated in People's Republic of China.
(g) Incorporated in Malaysia.
(h) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliate firm of RSM Chio Lim LLP.
(i) Audited by other independent auditors, SQM Chartered Accountants (Malaysia), a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(j) Audited by other independent auditors, GEP Associates, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(k) Audited by other independent auditors, Shanghai Daohe CPA Partnership, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(l) Audited by RSM China, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.
(m) Collectively known as Aoxin Stomatology group of companies.
(n) NG GK Dental Surgery (Melaka) Sdn. Bhd. ("NG GK") became a subsidiary on 8 April 2014. For NG GK, the financial statements were audited for the reporting period of twelve months ended 31 December 2014.
(o) Qinhuangdao Aidite High Technical Ceramic Co., Ltd. ("Aidite") became a subsidiary on 13 August 2014. For Aidite, the financial statements were audited for the reporting period of five months ended 31 December 2014.
(p) Aoxin Stomatology group of companies became subsidiaries on 7 July 2014. For Aoxin Stomatology group of companies, the financial statements were audited for the reporting period of six months ended 31 December 2014.
(q) Cost of investment less than $1,000.

All subsidiaries are engaged in the provision of dental services unless otherwise disclosed above.

Save as disclosed above, all other subsidiaries in Singapore which are engaged in the provision of dental services, trading of dental surgery materials and equipment, and provision of clinics and other general medical services are audited by RSM Chio Lim LLP.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

14. Investment in Subsidiaries (Cont'd)

There is a subsidiary that has non-controlling interests that is considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2014	2013
	$'000	$'000
Name of the subsidiary: Qinhuangdao Aidite High Technical Ceramic Co., Ltd.		
The profit allocated to non-controlling interests of the subsidiary during the reporting year	1,237	–
Accumulated non-controlling interests of the subsidiary at the end of the reporting year	3,838	–
The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows:		
Current assets	9,480	–
Non-current assets	1,465	–
Current liabilities	(3,113)	–
Revenue	6,644	–
Profit for the reporting year	2,525	–
Total comprehensive income	2,525	–
Operating cash flows, increase	902	–
Net cash flows, increase	665	–

15. Investment in Associates

	Group 2014 $'000	Group 2013 $'000
Movements in carrying value:		
Balance at beginning of the year	3,452	3,306
Transfers to assets held for sale (Note 17)	(3,439)	–
Share of the profit for the year	2	146
Balance at end of the year	15	3,452
Carrying value:		
Unquoted equity shares at cost	15	892
Goodwill at cost	–	2,692
Share of post-acquisition loss, net of dividends received	–	(132)
	15	3,452
Share of net book value of associates	14	760
Analysis of above amount denominated in non-functional currency:		
Chinese Yuan Renminbi	–	3,437

The associates held by a subsidiary are listed below:

Name of associates	Percentage of Equity Held by the Group 2014 %	Percentage of Equity Held by the Group 2013 %
Q & M Dental (Shanghai) Pte. Ltd.	–	49.5
Q & M Dental (Beijing) Pte. Ltd.	–	29.7
Punggol Medical & Dental Pte. Ltd.	50.0	50.0

15. Investment in Associates (Cont'd)

The country and place of operations for Q & M Dental (Shanghai) Pte. Ltd. and Q & M Dental (Beijing) Pte. Ltd. is Singapore and they are engaged in investment holding activities. They are audited by RSM Chio Lim LLP. As at end of the financial year, the Group has stopped equity accounting the results of Q & M Dental (Shanghai) Pte. Ltd. (and Dan De clinics) and Q & M Dental (Beijing) Pte. Ltd. (and Aiyashi clinics) in 2014 and has reclassified its carrying value of $3.4 million as assets held for sale as at 31 December 2014 (Note 17).

The country and place of operations for Punggol Medical & Dental Pte. Ltd. is Singapore and it is engaged in provision of general medical services. The associate is audited by RSM Chio Lim LLP.

The PRC entities held by the associates of the Group are listed below:

Name of PRC entities	Effective Percentage of Equity Held by the Group	
	2014	2013
	%	%
Held though Q & M Dental (Shanghai) Pte. Ltd. – Dan De clinics		
Nanjing Dan De Dental Management & Consulting Co., Ltd. (南京丹德管理咨詢有限公司)	–	49.5
Nanjing Dan De Dental Management & Consulting Co., Ltd., Dental Clinic (南京丹德管理咨询有限公司齒科诊所)	–	49.5
Dan De Dental Management & Consulting Co., Ltd., Jiangpu Dental Clinic (南京丹德管理咨询有限公司江浦口腔诊所)	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd. (南京佳美经典口腔医院管理有限公司)	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Hei Long Jiang Road Dental Clinic (南京佳美经典口腔医院管理有限公司黑龙江路口腔诊所)	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Lao Cai Shi Dental Clinic [(a)] (南京佳美经典口腔医院管理有限公司老菜市口腔诊所) [(a)]	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Qing Liang Men Street Dental Clinic[(a)] (南京佳美经典口腔医院管理有限公司清凉门大街口腔诊所) [(a)]	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Xuan Wu District Fu Hou Gang Dental Clinic [(a)] (南京佳美经典口腔医院管理有限公司玄武区付厚岗口腔诊所) [(a)]	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Xuan Wu District Mei Yuan Dental Clinic [(a)] (南京佳美经典口腔医院管理有限公司玄武区梅园口腔诊所) [(a)]	–	49.5
Nanjing Jia Mei Jing Dian Stomatological Hospital Management Co., Ltd., Jian Ye District Dian Ya Ju Dental Clinic [(a)] (南京佳美经典口腔医院管理有限公司建邺区典雅居口腔诊) [(a)]	–	49.5

15. Investment in Associates (Cont'd)

Name of PRC entities	Effective Percentage of Equity Held by the Group 2014 %	2013 %
Held though Q & M Dental (Beijing) Pte. Ltd. – Aiyashi clinics		
Beijing Aiyashi Dental Clinic (北京爱雅仕口腔诊所)	–	29.7
Beijing Chang Qing Teng Dental Clinic (北京常青藤口腔诊所)	–	29.7
Beijing Wang Jia Lei Dental Clinic (北京王嘉蕾口腔诊所)	–	29.7

(a) These associates are dormant.

The country of operations and place of operations for the PRC entities is People's Republic of China and the PRC entities are engaged in the provision of dental services.

The Group's share of the results of associates and share of the assets and liabilities are as follows:

	Group 2014 $'000	2013 $'000
Assets	44	3,322
Liabilities	(30)	(2,562)
Revenue	685	1,797
Profit for the year	2	146

There are no significant restrictions on the ability of the major associates to transfer funds to the Group in the form of cash dividends.

16. Intangible Assets

	Group 2014 $'000	2013 $'000
Goodwill (Note 16A)	35,038	5,368
Customer relationship (Note 16B)	216	85
	35,254	5,453

16. Intangible Assets (Cont'd)

16A. Goodwill

	Group 2014 $'000	Group 2013 $'000
Cost:		
Balance at beginning of the year	5,368	1,023
Arising from acquisition of subsidiaries (Note 27)	30,101	4,345
Arising from disposal of subsidiary (Note 28)	(191)	–
Transfer to intangible assets (Notes 16B and 27)	(211)	–
Effect of movement in exchange rate	(29)	–
Balance at end of the year	35,038	5,368

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment by the subsidiary as follows:

	Group 2014 $'000	Group 2013 $'000
Name of the subsidiary		
Primary Healthcare:		
Q & M Dental Surgery (Molek) Sdn. Bhd.	310	341
Dentigiene Dental Surgery Pte. Ltd.	490	490
Shanghai Meiya Mingxing Dental Polyclinic [(a)]	–	192
D & D Dental Sdn. Bhd.	143	153
Shanghai Chuangyi Investment and Management Co., Ltd.	1,658	1,650
Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd. [(b)]	10	10
NG GK Dental Surgery (Melaka) Sdn. Bhd.	165	–
Foo & Associate Pte. Ltd.	5,452	–
Aoxin Stomatology group of companies	17,945	–
Sub-total	26,173	2,836
Dental Equipment & Supplies Distribution:		
AR Dental Supplies Sdn. Bhd.	2,263	2,532
Dental Supplies Manufacturing:		
Qinhuangdao Aidite High Technical Ceramic Co., Ltd.	6,602	–
	35,038	5,368

(a) In 2013, the recoverable amount of the cash-generating unit, Shanghai Meiya Mingxing Dental Polyclinic ("Meiya"), was determined based on its fair value less costs of disposal. The fair value less costs of disposal was based on the Sale and Purchase agreement that the Group signed to dispose Meiya to a third party in 2014.

(a) The goodwill is not tested for impairment as the carrying value is not material.

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of cash-generating units have been determined based on its value in use method. The value is regarded as the lowest level for fair value measurement as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

16. Intangible Assets (Cont'd)

16A. Goodwill (Cont'd)

The value in use was determined by management. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. The value in use is a recurring fair value measurement (level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 5 years. Management forecasted the revenue growth rates and discount rates as follows:

2014

	Revenue growth rate	Discount rate
	%	%
Name of the subsidiaries		
Primary Healthcare:		
Q & M Dental Surgery (Molek) Sdn. Bhd.	3	12
Dentigiene Dental Surgery Pte. Ltd.	5	8
NG GK Dental Surgery (Melaka) Sdn. Bhd.	5	12
D & D Dental Sdn. Bhd.	10	12
Shanghai Chuangyi Investment and Management Co., Ltd.	8	13
Foo & Associate Pte. Ltd.	5	8
Aoxin Stomatology group of companies	15	13
Dental Equipment & Supplies Distribution:		
AR Dental Supplies Sdn. Bhd.	7	12
Dental Supplies Manufacturing:		
Qinhuangdao Aidite High Technical Ceramic Co., Ltd.	25 in 2015 and 15 for subsequent years	13

16. Intangible Assets (Cont'd)

16A. Goodwill (Cont'd)

2013

	Revenue growth rate	Discount rate
	%	%
Name of the subsidiaries		
Primary Healthcare:		
Q & M Dental Surgery (Molek) Sdn. Bhd.	3	12
Dentigiene Dental Surgery Pte. Ltd.	5	8
D & D Dental Sdn. Bhd.	12 in 2014 and 10 for subsequent years	12
Shanghai Chuangyi Investment and Management Co., Ltd.	8 in 2014 and 2015 and 5 for subsequent years	13
Dental Equipment & Supplies Distribution:		
AR Dental Supplies Sdn. Bhd.	58 in 2014 and 3 for subsequent years	12

Management forecasts the terminal growth rates at 0% (2013: 0%).

In this case no impairment loss were recognised because the carrying amounts of all CGUs were lower than their recoverable amount.

Primary healthcare: Actual outcomes could vary from these estimates. If the revised estimated revenue growth rate at the end of the reporting year had been 5 percent point less favourable than management's estimates at the end of the reporting year, there would be a need to reduce the carrying value of goodwill by $1,018,000. If the revised estimated discount rate applied to the discounted cash flows had been 1 percent point less favourable than management's estimates, there would be a need to reduce the carrying value of goodwill by $29,000. If the actual revenue growth rate and the discount rate had been more favourable than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because FRS 36 does not permit reversing an impairment loss for goodwill.

Dental equipment & supplies distribution: Actual outcomes could vary from these estimates. If the revised estimated revenue growth rate at the end of the reporting year had been 5 percent point less favourable than management's estimates at the end of the reporting year, there would be a need to reduce the carrying value of goodwill by $550,000. If the revised estimated discount rate applied to the discounted cash flows had been 1 percent point less favourable than management's estimates, the recoverable amount of the cash generating unit is still higher than the carrying value of goodwill. If the actual revenue growth rate and the discount rate had been more favourable than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because FRS 36 does not permit reversing an impairment loss for goodwill.

Dental supplies manufacturing: Actual outcomes could vary from these estimates. If the revised estimated revenue growth rate at the end of the reporting year had been 5 percent point less favourable than management's estimates at the end of the reporting year, the recoverable amount of the cash generating unit would reduce by $7,350,000. However, the recoverable amount is still higher than the carrying amount of the goodwill. If the revised estimated discount rate applied to the discounted cash flows had been 1 percent point less favourable than management's estimates, the recoverable amount of the cash generating unit would reduce by $3,482,000. However, the recoverable amount will still be higher than the carrying amount of the goodwill.

16. Intangible Assets (Cont'd)

16B. Customers List

	Group $'000
Cost:	
At 1 January 2013	–
Additions	100
At 31 December 2013	100
Transfer from goodwill (Notes 16A and 27)	211
At 31 December 2014	311
Amortisation:	
At 1 January 2013	–
Amortisation for the year	15
At 31 December 2013	15
Amortisation for the year	80
At 31 December 2014	95
Net book value:	
At 1 January 2013	–
At 31 December 2013	85
At 31 December 2014	216

17. Assets Held for Sale

During the reporting year, the Group decided to disposed its interest in the associates, Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd.. The Group is still finalising the disposal consideration and terms of the disposal. Terms are expected to be finalised by the end of 2015.

Management has exercised significant judgement when they measured the carrying amount of the Group's asset held for sale in assuming the potential sale of associates will take place. It is impracticable to disclose the extent of possible effects. It is reasonably possible, based on existing knowledge, that the outcomes within the next reporting year that are different from the assumptions could require a material adjustment to the carrying amount of the Group's assets held for sale. The carrying amount of the Group's asset held for sale at the end of the reporting year was $3,439,000.

18. Inventories

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Finished goods	1,805	–	–	–
Raw material	794	–	–	–
Dental supplies	6,028	4,113	–	–
	8,627	4,113	–	–

There are no inventories pledged as securities for liabilities.

19. Trade and Other Receivables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Current				
Trade receivables:				
Outside parties	10,472	3,421	–	–
Subsidiaries (Note 3)	–	–	4,795	4,620
Associates (Note 3)	273	350	–	–
Net trade receivables - sub-total	10,745	3,771	4,795	4,620
Other receivables:				
Subsidiaries (Note 3)	–	–	55,840	27,047
Associates (Note 3)	553	637	–	–
Deposits to secure services	2,827	2,552	503	350
Receivable from sale of property	–	150	–	–
Other receivables	2,184	627	302	172
Net other receivables - sub-total	5,564	3,966	56,645	27,569
Total trade and other receivables	16,309	7,737	61,440	32,189
Non-Current:				
Other receivables	483	342	130	–

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
The non-current portion is receivable as follows:				
Within 2 to 5 years	483	342	130	–
After 5 years	–	–	–	–
Total non-current portion	483	342	130	–

Other receivables include the following unsecured loans to certain dentists of the group:				
Non-interest bearing loan	130	18	130	–
Interest bearing loans	549	561	–	–
	679	579	130	–

Repayment of the non-interest bearing loan will commence upon the completion of the dentist's study, which is estimated to be around middle of 2016. Interest bearing loans are repayable monthly over 5 to 7 years, commencing from the date of appointment of the dentists concerned. Interest is charged on the latter at 5% per annum, subject to review annually.

20. Other Assets

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-Current:				
Sign-on bonus	456	724	313	543
Assignment fees	207	225	–	–
Non-Current, total	663	949	313	543
Current:				
Prepayments	2,274	1,185	956	628
Sign-on bonus	510	272	229	229
Assignment fees	18	18	–	–
Current, total	2,802	1,475	1,185	857

21. Cash and Cash Equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not restricted in use	35,644	28,749	14,692	9,556
Cash pledged for bank facilities #a	37	–	–	–
Cash at the end of the year	35,681	28,749	14,692	9,556
Interest earning balances	13,208	6,000	13,171	6,000

a. This is for amounts held by bankers to cover the bank guarantee issued.

The rate of interest for the cash on interest earning balances was between 0.11% to 3.15% (2013: 0.42%) per annum.

Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2014	2013
	$'000	$'000
Amount as shown above	35,681	28,749
Cash pledged for bank facilities	(37)	–
Cash and cash equivalents for statement of cash flows purposes at end of the year	35,644	28,749

22. Share Capital

Group and Company:	Number of shares issued '000	Share Capital $'000
Ordinary shares of no par value:		
Balance at beginning of the year 1 January 2013	550,453	22,947
Issue of share [(a)]	55,000	16,775
Balance at end of the year 31 December 2013	605,453	39,722
Issue of share at $0.3645 cents each[(b)]	15,089	5,500
Exercise of share options [(c)]	604	263
Employee share option scheme – Value of service provided	–	62
Convertible loan into ordinary shares[(d)]	19,091	6,300
Issue of share of $0.4665 cents each [(e)]	8,616	4,020
Rights Issue [(f)]	129,770	12,977
Share issue expenses	–	(374)
Balance at end of the year 31 December 2014	778,623	68,470

(a) On 17 January 2013, 55,000,000 shares of no par value were issued for cash at $0.3050 each.

(b) On 22 July 2014, the Company issued 15,089,163 new ordinary shares as the consideration shares to Dr Foo Mooh Thong for the acquisition of Foo & Associates Pte. Ltd. (Note 27).

(c) On 23 July 2014, the Company issued 604,000 ordinary shares, pursuant to Q & M Employee Share Option Scheme (Note 29).

(d) On 21 October 2014, the Company allotted and issued 19,090,909 new ordinary shares pursuant to the conversion by IFC of the US$5 million convertible loan into ordinary shares (Note 26C).

(e) On 7 November 2014, the Company issued 8,615,847 new ordinary shares to Health Field Enterprises Ltd. as part of the purchase consideration in connection with the acquisition of Aoxin Stomatology group of companies (Note 27).

(f) On 10 December 2014, pursuant to its Rights Issue, the Company issued 129,770,582 new ordinary shares to its Shareholders for cash at $0.10 each.

(g) On 24 May 2014, the Company entered into a Call Option agreement with a shareholder Heritas Helios Investments Pte. Ltd. to subscribe for up to 63,000,000 new ordinary shares of the Company. The Call Option has an option period of 2 years and an exercise price which will be calculated at higher of (i) a 10% discount to the relevant weighted average price of the shares for trades done on the SGX-ST for the thirty-day period prior to the date of notice, or (ii) the minimum price of $0.48 per share.

As a result of the Rights Issue, the number of Call Option Shares was adjusted by 9,410,127 Call Option Shares (the "Adjustment Shares") to 72,410,127 Call Option Shares; and the minimum exercise price per Call Option Share was adjusted from $0.48 to $0.4176.

22. Share Capital (Cont'd)

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements except as disclosed below.

Capital Management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity.

The Company's net debt (all external borrowings including finance leases less cash and cash equivalents) is insignificant. The debt-to-adjusted capital ratio therefore does not provide a meaningful indicator of the risk of borrowings.

In order to maintain the Company's listing on the Singapore Stock Exchange, it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

23. Other Reserves

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Foreign currency translation reserve (Note 23A)	346	140	–	–
Share option reserve (Note 23B)	–	83	–	83
Fair value reserve on convertible loan (Note 23C)	–	320	–	320
Total at end of the year	346	543	–	403

23. Other Reserves (Cont'd)

23A. Foreign Currency Translation Reserve

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
At beginning of the year	140	(3)	–	–
Exchange differences on translating foreign operations	206	143	–	–
At end of the year	346	140	–	–

23B. Share Option Reserve

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
At beginning of the year	83	66	83	66
Exercise of share options	(62)	–	(62)	–
Expiry of share options	(21)	–	(21)	–
Share-based payments: Service provided (Note 29C)	–	17	–	17
At end of the year	–	83	–	83

23C. Fair Value Reserve on Convertible Loan

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Convertible loan				
At beginning of the year	320	320	320	320
Conversion to equity (Note 26C)	(320)	–	(320)	–
At end of the year	–	320	–	320

All reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

The foreign currency translation reserve accumulates all foreign exchange differences arising from the translation of financial statements of entities denominated in currencies other than the presentation currency.

The fair value reserve on convertible loan represents the equity component of the instrument and is non-distributable. If and when the option to convert to equity is exercised, a transfer will be made from this reserve and from debt to share capital account.

24. Provisions

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Provision for reinstatement of leased premises	437	350	–	–
			–	
Movements in above provision:				
Balance at beginning of the year	350	359	–	–
Additions	111	–	–	–
Used	(24)	(9)	–	–
Balance at end of the year	437	350	–	–

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased premises. The estimate is based on quotations from external contractors.

25. Trade and Other Payables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	11,915	8,550	716	844
Subsidiaries (Note 3)	–	–	389	375
Trade payables - sub-total	11,915	8,550	1,105	1,219
Other payables:				
Subsidiaries (Note 3)	–	–	534	672
Deposits received	1,749	308	–	–
Amount due to directors of the subsidiaries	1,663	–	–	–
Amount due to vendors of acquired subsidiaries	4,213	1,529	–	–
Other payables	1,491	390	189	148
Other payables - sub-total	9,116	2,227	723	820
Total trade and other payables	21,031	10,777	1,828	2,039

26. Other Financial Liabilities

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-Current:				
Bank loans (Note 26A)	28,516	2,766	15,000	–
Finance leases (Note 26B)	1	15	–	–
Debt element of convertible (Note 26C)	–	5,918	–	5,918
Non-current, total	28,517	8,699	15,000	5,918
Current:				
Bank loans (Note 26A)	3,681	204	3,000	–
Finance leases (Note 26B)	13	27	–	–
Bill payable (Note 26D)	125	–	–	–
Current, total	3,819	231	3,000	–
Total	32,336	8,930	18,000	5,918

The non-current portion is repayable as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Due within 2 to 5 years	17,349	6,456	15,000	5,918
Due after 5 years	11,168	2,243	–	–
Total non-current portion	28,517	8,699	15,000	5,918

The range of floating rate interest rates paid were as follows:

	2014	2013
	%	%
Bank loans	1.25 – 2.8%	1.25 – 4.0

The exposure of the borrowings to interest rate changes and the contractual repricing dates at the end of the reporting years was below 6 months.

26. Other Financial Liabilities (Cont'd)

26A. Bank Loans

The bank loans except for the bank loans of the Company are secured or covered by the following:

(a) Corporate guarantee from the Company for loans of the subsidiaries;

(b) First legal assignment at all rights, title and benefits under existing and future tenancy agreements and rental income; and

(c) Legal mortgage over a property (Note 13)

The fair value (level 2) of the bank loans is a reasonable approximation of the carrying amount as it is a floating rate instrument that is frequently re-priced to market interest rates.

26B. Finance Leases

Group 2014	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	15	(2)	13
Due within 2 to 5 years	2	(1)	1
Total	17	(3)	14
Net book value of plant and equipment under finance leases			–

Group 2013	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	31	(4)	27
Due within 2 to 5 years	17	(2)	15
Total	48	(6)	42
Net book value of plant and equipment under finance leases			32

There are leases for certain of its plant and equipment under finance leases. The average lease term was 3 years (2013: 3 years). The fixed rate of interest for finance leases was ranging from 2.73% to 4.00% (2013: 2.37% to 4.00%) per annum. All leases are on a fixed repayment basis and no arrangements were entered into for contingent rental payments. The obligations under finance leases were secured by the lessor's charge over the leased assets.

The fixed interest rate approximates the market interest rate. The carrying amount of the lease liabilities was not significantly different from the fair value (level 2).

26. Other Financial Liabilities (Cont'd)

26C. Convertible Loan

	Group and Company	
	2014	2013
	$'000	$'000
Nominal value of convertible loan notes issued	–	6,358
Transaction cost	–	(170)
Net proceeds	–	6,188
Equity component (net of deferred tax)	–	(320)
Liability component at date of issue	–	5,868
Interest accreted	–	75
Foreign exchange adjustment gains	–	(25)
Liability component at end of the year	–	5,918

The main features are as follows:

Date of issue	15 May 2012
Interest rate	6 months LIBOR + 2.8%
Market rate for an equivalent non-convertible bond	4.5% per annum
Conversion features	Convertible at the holder's option into ordinary shares of the Company at anytime before the settlement date.
Conversion ratio on issue	18,260,870 shares for US$5,000,000 of loan
Redemption features	Redeemable on 15 July 2016 at par if not converted

The convertible loan notes are convertible at the holder's option into ordinary shares of the Company at any time before the settlement date. They are covered by joint guarantees from 10 material subsidiaries of the Group.

The proceeds received from the issue of the convertible loan notes have been allocated between the liability element and an equity component, representing the fair value of the embedded option to convert liability into equity of the Group.

The fair values of the liability component and the equity conversion component were determined at date the bond was issued. The interest expense recognised in the profit or loss is calculated using the effective interest rate method at 3.146% per annum to the liability component for the period the loan notes were issued.

The fair value (level 2) of the convertible loan is a reasonable approximation of the carrying amount as it is a floating rate instrument that is frequently re-priced to market interest rates.

On 21 October 2014, the Group allotted and issued 19,090,909 new ordinary shares pursuant to the conversion of the US$5 million convertible loan.

26. Other Financial Liabilities (Cont'd)

26D. Bill Payable

The bills payables of the subsidiary are secured or covered by the following:

(i) Facilities Agreement;

(ii) Corporate guarantee by the Company;

(iii) Jointly and severally guaranteed by certain directors of the subsidiary;

(iv) Negative pledge;

(v) Fixed deposit; and

(vi) Trade Financing General Agreement from the subsidiary.

The bill payables of the Group have maturity period of 90 days (2013: Nil).

27. Acquisition of Subsidiaries

FY2014

The Group acquired 70% of the share capital in NG GK Dental Surgery (Melaka) Sdn. Bhd. (incorporated in Malaysia) on 8 April 2014. On 16 July 2014, the Group acquired 100% shareholding in Foo & Associates Pte. Ltd. (incorporated in Singapore). The Group acquired 60% of the share capital of Aoxin Stomatology group of companies and 51% of Qinhuangdao Aidite High Technical Ceramic Co., Ltd. (both incorporated in People's Republic of China) on 7 July 2014 and 13 August 2014 respectively. The transactions were accounted using the purchase method of accounting.

NG GK Dental (Melaka) Sdn. Bhd. is the first clinic acquired by the Group in Melaka, Malaysia and this acquisition will enable the Group to tap into the Melaka dental market.

The Group's acquisition of Foo & Associates Pte. Ltd. is to continue the expansion of its main dental business in Singapore. This acquisition allows the Group to add a fully operational clinic located in prime location in Singapore.

The Group's acquisition of Aoxin Stomatology group of companies will provide the Group with a ready-made platform and presence in North-Eastern China for its PRC expansion plans. The Group will tap on the synergies in the management skills of Aoxin for their expansion plans in PRC.

The Group's acquisition of Aidite will crystallise the Group's plan to integrate and to provide synergy to the various components of its dental business, from supplies manufacturing, equipment and dental materials distribution to its dental centres and clinics.

27. Acquisition of Subsidiaries (Cont'd)

The business combinations during the reporting year are presented separately as follows:

2014: Group	Pre-acquisition book value under FRS				
	NG GK	Foo & Associate	Aoxin Stomatology group of companies	Qinhuangdao Aidite	Total
	$'000	$'000	$'000	$'000	$'000
Plant and equipment	–	74	6,036	1,178	7,288
Deferred tax assets	–	–	–	43	43
Trade and other receivables	–	–	1,614	2,913	4,527
Inventories	–	–	228	1,783	2,011
Cash and cash equivalents	32	–	234	1,592	1,858
Trade and other payables	–	(26)	(760)	(2,236)	(3,022)
Income tax payables	–	–	(9)	(315)	(324)
Non-controlling interests at fair value	(10)	–	(2,937)	(2,429)	(5,376)
Net identifiable assets	22	48	4,406	2,529	7,005
Goodwill arising on consolidation	168	5,452	17,879	6,602	30,101
Purchase consideration	190	5,500	22,285	9,131	37,106
Amount payable to vendors of the acquired subsidiaries	–	–	(2,650)	(1,182)	(3,832)
Purchase consideration by way of shares (Note 22)	–	(5,500)	(4,020)	–	(9,520)
Cash of subsidiaries acquired	(32)	–	(234)	(1,592)	(1,858)
Net cash outflow from acquisition of subsidiaries	158	–	15,381	6,357	21,896

The goodwill arising on acquisition of above subsidiaries are attributable to the anticipated profitability of the acquired subsidiaries and the anticipated future operating synergies from the combination.

The Group expect the above pre-acquisition book value under FRS to approximate the provisional fair values. The fair values are provisional as the hindsight period (of not more than 12 months) allowed by FRS 103 Business Combinations has not yet expired. A detailed expert report on the fair values is expected to be available before the end of the next reporting year.

27. Acquisition of Subsidiaries (Cont'd)

The contributions from the acquired subsidiaries for the period between the date of acquisition and the statement of financial position date and had the transaction been affected at the beginning of the year were as follows:

2014	Group	
	From date of acquisition in 2014	For the reporting year 2014
	$'000	$'000
Revenue	13,253	21,438
Profit before tax	4,865	7,784

FY2013

The Group acquired 70% of the share capital in D & D Dental Sdn. Bhd. and AR Dental Supplies Sdn. Bhd. (both incorporated in Malaysia) on 7 February 2013 and 8 July 2013, respectively. The Group acquired 80% of the share capital of Shanghai Chuangyi Investment and Management Co., Ltd. (incorporated in People's Republic of China) on 7 March 2013. On 4 April 2013, the Group acquired 100% shareholding in Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd. (incorporated in Singapore and formerly known as Medsolutions Pte. Ltd.). The transactions were accounted using the purchase method of accounting.

The rationale for the Group's acquisition of D & D Dental Sdn. Bhd. is to expand its dental business and to achieve a bigger market share of the dental business in Malaysia.

The Group's acquisition of Shanghai Chuangyi Investment and Manangement Co., Ltd. is to expand its dental business in Shanghai PRC.

The Group's acquisition of Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd. is to diversify into medical business in Singapore. This is the first general practice medical clinic acquired by the Group in Singapore.

The rationale for the Group's acquisition of AR Dental Supplies Sdn. Bhd. (AR Dental) is to expand into the business of distributing dental consumables, equipment and supplies. AR Dental's distributorship for dental materials and equipment would provide economies of scale to the Group's clinic operations and purchasing in Malaysia. It is complementary to the Group's core business and will enhance savings for its dental clinics as well as generate additional revenue through the acquisition.

27. Acquisition of Subsidiaries (Cont'd)

The business combinations during 2013 were individually immaterial, except for the acquisition of AR Dental, and the net assets acquired related fair values were therefore presented in aggregate as follows:

2013: Group	Pre-acquisition book value under FRS			
	AR Dental	Others	Total	Restated Fair Value
	$'000	$'000	$'000	$'000
Plant and equipment	121	489	610	610
Intangible assets	–	100	100	311
Trade and other receivables	–	71	71	71
Inventories	1,834	31	1,865	1,884
Other assets	–	33	33	33
Cash and cash equivalents	–	226	226	226
Trade and other payables	(693)	(286)	(979)	(979)
Financial liabilities	(56)	(9)	(65)	(65)
Deferred tax liabilities	–	(29)	(29)	(87)
Non-controlling interests at fair value	(362)	(146)	(508)	(542)
Net identifiable assets	844	480	1,324	1,462
Goodwill arising on consolidation	2,533	1,812	4,345	4,207
Cash consideration	3,377	2,292	5,669	5,669
Less cash taken over	–	(226)	(226)	(226)
Net cash outflow on acquisition	3,377	2,066	5,443	5,443

The goodwill arising on acquisition of D & D Dental Sdn. Bhd., Shanghai Chuangyi Investment and Management Co., Ltd., Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd. and AR Dental Supplies Sdn. Bhd. are attributable to the anticipated profitability of the acquired subsidiaries and the anticipated future operating synergies from the combination.

The fair values shown above are provisional as the hindsight period allowed by FRS 103 Business Combinations has not yet expired in the year of acquisition (FY2013). The Group has completed the purchase price allocation exercise in FY 2014 and the restated fair value is presented above. As there is no significant difference between the pre-acquisition book value under FRS and the restated fair values, management has recorded the effect of the purchase price allocation exercise in FY 2014.

The contributions from the acquired subsidiaries for the period between the date of acquisition and the statement of financial position date and had the transaction been affected at the beginning of the year were as follows:

	Group	
	From date of acquisition in	For the reporting year
2013	2013	2013
	$'000	$'000
Revenue	4,595	7,145
Profit before tax	234	797

28. Disposal of Subsidiary

On 5 May 2014, the management disposed one of the subsidiary, Shanghai Meiya Mingxing Dental Polyclinic.

The following table is a summary of the carrying value of the account balances of the subsidiary at the date of disposal:

	Group	
	At date of disposal in 2014	At end of last year 2013
	$'000	$'000
Plant and equipment	7	7
Trade and other receivables	1	15
Cash and cash equivalents	10	19
Trade and other payables	(178)	(192)
Net assets disposed of	(160)	
Goodwill disposed of	191	
Gain on disposal	125	
Total consideration	156	
Net cash inflow on disposal:		
Cash consideration	156	
Cash balance disposed of	(10)	
Net cash inflow	146	

29. Share-Based Payments

29A. Q & M Employee Share Options – Scheme

The Company has adopted an employee share option scheme known as the "Q & M Employee Share Option Scheme" (the "Scheme") on 26 April 2011. The Scheme, which forms an integral component of its compensation plan, is designed to reward and retain eligible participants whose services are important to its continued well being and success. It provides eligible participants who have contributed to the growth and performance of the Group with an opportunity to participate and also motivate these participants to greater dedication, loyalty and higher standards of performance and to give recognition to past contributions and services.

Under the rules of the Scheme, the directors and employees of the Group are eligible to participate in the Scheme. Controlling shareholders or their associates are also eligible to participate in the Scheme subject to the approval of independent shareholders in the form of separate resolutions for each participant. Further, independent shareholders' approval is also required in the form of separate resolutions for each grant of options and the terms thereof, to each participant who is a controlling shareholder or his associate.

The total number of shares over which options may be granted shall not exceed 15% of the issued share capital (excluding Treasury Shares) of the Company on the date immediately preceeding the Date of Grant.

29. Share-Based Payments (Cont'd)

29A. Q & M Employee Share Options – Scheme (Cont'd)

A Scheme Committee is charged with the administration of the Scheme in accordance with the rules of the Scheme. The Committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the board of directors. The number of shares comprised in options offered to a participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service, potential contribution of the participant provided that: (a) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the Scheme (including adjustments under the rules) shall not exceed 25% of the shares available under the Scheme; and (b) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the Scheme shall not exceed 10% of the shares available under the Scheme.

(a) Exercise Price

The exercise price for each share in respect of which an option is exercisable shall be determined by the committee at its absolute discretion, on the date of grant, at:-

(i) the market price; or

(ii) a price which is set at a discount to the market price (incentive price), the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

(b) Exercise Period

Unless otherwise determined in the sole discretion of the Committee, options granted shall be exercised in the following manner:-

(i) in the case of market price options granted to a participant:- (i) one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the first anniversary of the date of grant of that option; (ii) the next one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; and (iii) the remaining one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company; and

(ii) in the case of incentive options granted to a participant:- (i) one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; (ii) the next one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option; and (iii) the remaining one-third ($^1/_3$) of such options granted shall only vest and be exercisable by an option holder after the fourth anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company.

29. Share-Based Payments (Cont'd)

29A. Q & M Employee Share Options – Scheme (Cont'd)

(b) Exercise Period (Cont'd)

Market price options may only be exercised after the first anniversary of the date of grant of such options. Incentive options may only be exercised after the second anniversary of the date of grant of such options. There are special provisions dealing with the lapsing or permitting the earlier exercise of options under certain circumstances including termination, bankruptcy, and death of the participant.

29B. Activities under the Share Options Scheme:

The outstanding number of options at the end of the reporting year was:

Exercise Price	Grant date	Exercise Period	Options to subscribe number of ordinary shares as at 31 December 2014	2013
			'000	'000
$0.435	23 May 2011	24 May 2012 – 23 May 2014	–	302
$0.435	23 May 2011	24 May 2013 – 23 May 2015	–	302
$0.435	23 May 2011	24 May 2014 – 23 May 2016	–	302
			–	906

During the reporting year, 302,000 (post share split) options were lapsed and 604,000 share options were exercised. There are no share options outstanding as at 31 December 2014.

The following table summarises information about director share options outstanding at the end of the reporting year:

Participants	Balance at 1.1.2014	Lapsed	Exercised	Balance at 31.12.2014
	'000	'000	'000	'000
Director of the Company:				
Dr Ng Chin Siau	600	(200)	(400)	–
Associates of director and controlling shareholder of the Company:				
Ms Foo Siew Jiuan	150	(50)	(100)	–
Ms Ng Sook Hwa	112	(37)	(75)	–
Ms Ng Sook Jing	44	(15)	(29)	–
Total	906	(302)	(604)	–

On 23 July 2014, 604,000 share options were exercised at the exercise price of $0.435 each.

29. Share-Based Payments (Cont'd)

29C. Accounting for the Share Options:

The Company has an employee share option scheme (the "Scheme") more fully disclosed in paragraph 29A above.

Activity under the Scheme are summarised in Note 29B above.

There are no share options outstanding at the end of the reporting year.

Share Option Reserve:

	Group and Company	
	2014	2013
	$'000	$'000
At beginning of the year	83	66
Share options expenses included in employee benefit expense (Note 6)	–	17
Expiry of share options	(21)	–
Exercise of share options	(62)	–
At end of the year – included in share option reserve (Note 23B)	–	83

For the reporting year, the total charge to profit or loss amounted to Nil (2013: $17,000).

The estimate of the grant date fair value of each option issued is based on Trinomial Option Pricing Model. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non-transferability of the options granted. There were no grants in 2013 and 2014.

30. Financial Instruments: Information on Financial Risks

30A. Carrying Amount of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets:				
Cash and cash equivalents	35,681	28,749	14,692	9,556
Loans and receivables	16,792	8,079	61,570	32,189
At end of the year	52,473	36,828	76,262	41,745
Financial liabilities:				
Borrowings measured at amortised cost	32,336	8,930	18,000	5,918
Trade and other payables measured at amortised cost	21,031	10,777	1,828	2,039
At end of the year	53,367	19,707	19,828	7,957

Further quantitative disclosures are included throughout these financial statements.

30B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following good market practices.

30C. Fair Values of Financial Instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30. Financial Instruments: Information on Financial Risks (Cont'd)

30D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 21 discloses the maturity of the cash and cash equivalents balances.

The average credit period generally granted to non-related trade receivable customers is about 30 days (2013: 30 days). The dental and medical centres and clinics do not generally grant credit as services are usually settled in cash, NETS and credit card payments. The trade receivables are mainly NETS and credit card payments that take approximately a few days to settle. Certain subsidiaries engaged in the trading of dental surgery materials and equipment and manufacturing of dental supplies grant credit term of 30 days to 120 days (2013: 30 days to 120 days) to their customers.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Less than 30 days	1,327	320	558	129
31 to 60 days	863	141	–	–
Over 60 days	3,845	1,091	4,360	3,232
Total	6,035	1,552	4,918	3,361

As at the end of the reporting year there were no amounts that were impaired.

Concentration of trade receivable customers (excluding associates) as at the end of reporting year:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Top 1 customer	1,529	260	783	716
Top 2 customers	3,265	497	1,426	1,251

Save for loans to certain dentists as disclosed in Note 19, other receivables are normally with no fixed terms and therefore there is no maturity.

30. Financial Instruments: Information on Financial Risks (Cont'd)

30E. Liquidity Risk – Financial Liabilities Maturity Analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	2 – 5 years $'000	More than 5 years $'000	Total $'000
2014				
Trade and other payables	21,031	–	–	21,031
Other financial liabilities	4,071	20,337	15,096	39,504
At end of the year	25,102	20,337	15,096	60,535
2013				
Trade and other payables	10,777	–	–	10,777
Other financial liabilities	369	7,468	2,823	10,660
At end of the year	11,146	7,468	2,823	21,437

Company	Less than 1 year $'000	2 – 5 Years $'000	More than 5 years $'000	Total $'000
2014				
Trade and other payables	1,828	–	–	1,828
Other financial liabilities	3,105	16,319	–	19,424
At end of the year	4,933	16,319	–	21,252
2013				
Trade and other payables	2,039	–	–	2,039
Other financial liabilities	–	6,624	–	6,624
At end of the year	2,039	6,624	–	8,663

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2013: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

30. Financial Instruments: Information on Financial Risks (Cont'd)

30E. Liquidity Risk – Financial Liabilities Maturity Analysis (Cont'd)

Financial guarantee contracts - For financial guarantee contracts the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year
Company	$'000
2014	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	14,553
At end of the year	14,553
2013	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	3,335
At end of the year	3,335

Bank facilities:

	2014	2013
Group	$'000	$'000
Undrawn borrowing facilities	10,000	12,682
Unutilised bank overdraft	500	1,500
Unutilised fixed advance facilities	–	2,000
Unutilised revolving credit facilities	6,000	6,000
Unutilised credit facilities / foreign exchange	2,968	817
Unutilised multicurrency medium term note	200,000	200,000
Unutilised non-revolving hire purchase line	1,000	1,000

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

30. Financial Instruments: Information on Financial Risks (Cont'd)

30F. Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets:				
Fixed rates	586	561	–	–
Floating rates	13,171	6,000	13,171	6,000
Total at end of the year	13,757	6,561	13,171	6,000
Financial liabilities:				
Fixed rates	140	42	–	–
Floating rates	32,196	8,888	18,000	5,918
Total at end of the year	32,336	8,930	18,000	5,918

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on post tax profit is not significant.

30G. Foreign Currency Risk

Analysis of amounts denominated in non-functional currencies:

Group	Japanese Yen	US dollars	Euro	Total
	$'000	$'000	$'000	$'000
2014				
Financial assets:				
Cash and cash equivalents	–	1,105	32	1,137
Loan and receivables	–	894	31	925
Total financial assets	–	1,999	63	2,062
Financial liabilities:				
Trade and other payables	(185)	(608)	(72)	(865)
Total financial liabilities	(185)	(608)	(72)	(865)
Net financial assets/(liabilities) at end of the year	(185)	1,391	(9)	1,197

30. Financial Instruments: Information on Financial Risks (Cont'd)

30G. Foreign Currency Risk (Cont'd)

Group	Japanese Yen	US dollars	Euro	Total
	$'000	$'000	$'000	$'000
2013				
Financial assets:				
Cash and cash equivalents	–	6,421	–	6,421
Loan and receivables	–	340	–	340
Total financial assets	–	6,761	–	6,761
Financial liabilities:				
Trade and other payables	(172)	–	(279)	(451)
Other financial liabilities	–	(5,918)	–	(5,918)
Total financial liabilities	(172)	(5,918)	(279)	(6,369)
Net financial assets/(liabilities) at end of the year	(172)	843	(279)	392

Company	US dollars
	$'000
2014	
Financial asset:	
Cash and cash equivalents	59
Total financial assets	59
Financial liabilities:	
Other financial liabilities	–
Total financial liabilities	–
Net financial assets/(liabilities) at end of the year	–

Company	US dollars
	$'000
2013	
Financial asset:	
Cash and cash equivalents	59
Total financial assets	59
Financial liabilities:	
Other financial liabilities	(5,918)
Total financial liabilities	(5,918)
Net financial assets/(liabilities) at end of the year	(5,859)

There is exposure to foreign currency risk as part of its normal business.

30. Financial Instruments: Information on Financial Risks (Cont'd)

30G. Foreign Currency Risk (Cont'd)

Sensitivity analysis:

Group	2014 $'000	2013 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the US$ with all other variables held constant would have an adverse effect on post-tax profit of	(139)	(84)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the following basis that there are no hedged transactions.

31. Items in Profit or Loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2014 $'000	2013 $'000
Audit fees to the independent auditors of the Company	314	238
Audit fees to the other independent auditors	75	46
Other fees to the independent auditors of the Company	12	32

32. Capital Commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group 2014 $'000	Group 2013 $'000
Commitments to purchase plant and equipment	3,378	–
Commitments to purchase subsidiaries	–	22,500*

* On 13 November 2013 and 12 February 2014, the Group entered into a binding Master Agreement with Dr Shao and Health Field Enterprise Ltd setting out the key terms and conditions for the proposed acquisition of 60% stake in Aoxin Stomatology group of companies for a total consideration of RMB108 million by way of cash and the Company's shares of RMB20 million (see Note 27).

33. Operating Lease Income Commitments - as Lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group 2014 $'000	Group 2013 $'000
Not later than one year	1,372	644
Later than one year and not later than five years	1,788	357
Rental income for the year	986	795

Operating lease income commitments are for certain clinics. The lease rental income terms are negotiated for an average term of three years and rentals are not subject to any escalation clause. There are certain operating leases for the rental of certain office premises with no commitment terms.

34. Operating Lease Payment Commitments - Lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2014	2013
	$'000	$'000
Not later than one year	8,031	6,478
Later than one year and not later than five years	11,100	7,395
Later than five year	5,634	–
Rental expense for the year	8,503	6,905

Operating lease payments are for rental payable for certain clinics and office premises. The lease rental terms are negotiated for an average term of three years and rentals are not subject to any escalation clause. Certain of the clinics and office premises are sub-let to others for rental income (see Note 33).

There are certain operating leases for the rental of certain office premises from the owners (related parties) with no commitment terms.

35. Events after the end of the Reporting Year

(a) On 15 January 2015, the Group announced the completion of sale of the business and assets of the specialist centres, The Lung Specialist Centre Pte. Ltd. and The Digestive and Liver Specialist Centre Pte. Ltd.. The consideration payable by the buyers for the purchasing the business and assets was approximately $64,000. No significant loss is expected.

(b) On 15 January 2015, the Group announced the acquisition of 100% of the shareholding in New Dental Centre Pte Ltd ("NDC") for a consideration of $1. NDC is a wholly owned subsidiary of the Group.

(c) On 21 January 2015, the Group announced the grant of a conditional option to purchase (the "Option") the property at Jurong Gateway (the "Property") to Allplus Holdings Pte Ltd and/or its nominee (the "Purchaser") at a sale consideration of $14.8 million. The Group will realise a profit of approximately $1.572 million from the Proposed Sale of the Property. The Purchaser has exercised the Option as at the date of this report and the sale is subject to shareholders approval at the forthcoming AGM to be held on 28 April 2015.

(d) On 21 January 2015, the Group entered into a subscription agreement with Li Hong Wen and Li Bin (non-controlling interests of a subsidiary) pursuant to which they have agreed to subscribe for 4,660,848 new ordinary shares ("Subscription Shares") in the capital of the Company at an issue price of $0.46 for each Subscription Share amounting to an aggregate cash consideration of $2.14 million.

On 22 February 2015, the Company obtained approval in principle from SGX-ST for the admission to the Official List of the SGX-ST and the listing and quotation of the Subscription Shares.

(e) On 10 February 2015, the Group through its wholly-owned subsidiary, Q & M Laboratory & Marketing Pte. Ltd. incorporated a wholly-owned subsidiary in Singapore named Singapore Dental Cadcam Laboratory Pte. Ltd..

35. Events after the end of the Reporting Year (Cont'd)

(f) On 16 February 2015, the Group through its wholly-owned subsidiary, Q & M Consultancy and Management Pte. Ltd. and EClinic Pte. Ltd. incorporated a joint venture entity in Singapore named QA Healthcare Solution Pte. Ltd.. The Group will have 51% in QA Healthcare Solution Pte. Ltd..

(g) Pursuant to the $200,000,000 Multicurrency Medium Term Note Programme established by the Group on 25 November 2013, the Group has on 19 March 2015 issued $60 million 4.4% Notes (maturity date: 19 March 2018).

36. Changes and Adoption of Financial Reporting Standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

37. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions (*)	1 July 2014
	Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment FRS 103 Business Combinations FRS 108 Operating Segments FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets	1 July 2014
	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations FRS 113 Fair Value Measurement FRS 40 Investment Property (*)	1 July 2014
FRS 114	Regulatory Deferral Accounts (*)	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 January 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Various	Improvements to FRSs (November 2014)	1 January 2016

(*) Not relevant to the entity.

Statistics of Shareholdings

As at 13 March 2015

SHARE CAPITAL

Issued and fully paid-up capital	:	$69,602,548.15
Number of shares	:	778,623,495
Class of shares	:	Ordinary Shares of equal voting right

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 13 March 2015, approximately 31.96% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual, issued by the Singapore Exchange Securities Trading Limited, is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	20	0.93	228	0.00
100 - 1,000	105	4.88	100,157	0.01
1,001 - 10,000	652	30.28	3,937,700	0.51
10,001 - 1,000,000	1,344	62.42	83,872,905	10.77
1,000,001 and above	32	1.49	690,712,505	88.71
Total:	2,153	100.00	778,623,495	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	QUAN MIN HOLDINGS PTE. LTD.	406,385,529	52.19
2	CITIBANK NOMINEES SINGAPORE PTE. LTD.	103,751,247	13.32
3	KOH SHUNJIE KELVIN (XU SHUNJIE KELVIN)	40,152,000	5.16
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	19,606,502	2.52
5	FOO MOOH THONG	18,111,000	2.33
6	KOH SHUHUI, FELICIA	17,208,000	2.21
7	HEALTH FIELD ENTERPRISES LIMITED	10,339,016	1.33
8	NG CHIN SIAU	10,080,110	1.29
9	RAFFLES NOMINEES (PTE) LTD.	5,778,400	0.74
10	DBS NOMINEES PTE. LTD.	5,140,411	0.66
11	CHOW JOO MING	4,900,000	0.63
12	UOB KAY HIAN PTE. LTD.	4,830,389	0.62
13	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	4,177,600	0.54
14	BANK OF SINGAPORE NOMINEES PTE. LTD.	4,162,000	0.53
15	KHOO POH KOON	3,834,000	0.49
16	CHAN PUI KEE	3,361,000	0.43
17	BNP PARIBAS SECURITIES SERVICES	3,230,500	0.41
18	CHEN YAN FENG	3,100,000	0.40
19	LIM BEE KOK	3,100,000	0.40
20	OCBC NOMINEES SINGAPORE PTE. LTD.	2,008,800	0.26
	Total:	673,256,504	86.46

Statistics of Shareholdings

As at 13 March 2015

SUBSTANTIAL SHAREHOLDERS

As Per Register of Substantial Shareholders

No.	Name	No. of shares held as Direct	%	No. of shares held as Deemed	%
1	Quan Min Holdings Pte. Ltd.	406,385,529	52.19	-	-
2	Ng Chin Siau *	10,080,110	1.29	406,385,529	52.19
3	Koh ShunJie, Kelvin	40,152,000	5.16	-	-
4	Heritas Helios Investments Pte. Ltd.	72,659,060	9.33	-	-

* Dr Ng Chin Siau is deemed to have an interest in the 406,385,529 ordinary shares held by Quan Min Holdings Pte. Ltd. from his 43.94% direct interest in Quan Min Holdings Pte. Ltd..

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Parkroyal on Kitchener Road, 181 Kitchener Road, Singapore 208533, Emerald Ballroom 2 on Tuesday, 28 April 2015 at 2.00 pm to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax exempt (1-tier) dividend of 0.32 cents per share for the financial year ended 31 December 2014. **(Resolution 2)**

3. To approve the Directors' fees of $252,000/- for the financial year ended 31 December 2014 [2013: $234,000/-]. **(Resolution 3)**

4. To re-elect Narayanan Sreenivasan, retiring pursuant to Article 104 of the Company's Articles of Association. *(See Explanatory Note 1)* **(Resolution 4)**

5. To re-elect Dr Ng Jet Wei, retiring pursuant to Article 104 of the Company's Articles of Association. *(See Explanatory Note 1)* **(Resolution 5)**

6. To re-appoint Messrs RSM Chio Lim LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

7. **Authority to allot and issue shares** **(Resolution 7)**

    (a) "That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and the Listing Rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), approval be and is hereby given to the Directors of the Company (the "**Directors**") at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

        (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

        (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

        (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

SPECIAL BUSINESS (Cont'd)

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company. Unless prior shareholders' approval is required under the Listing Rules, an issue of treasury shares will not require further shareholders' approval and will not be included in the aforementioned limits.

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:-

a) new shares arising from the conversion or exercise of convertible securities; or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Rules of the SGX-ST; and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a General Meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *(See Explanatory Note 2)*

8. **Proposed Renewal of the Share Buy-Back Mandate** **(Resolution 8)**

That:

(a) for the purposes of Section 76C and 76E of the Act and such other laws and regulations as may for the time being be applicable, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

SPECIAL BUSINESS (Cont'd)

(i) on-market purchases (each an "**On-Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if affected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Rules of the SGX-ST,

(the "**Share Buy-Back Mandate**");

(b) any Shares that are purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which the share buy-backs are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(d) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

SPECIAL BUSINESS (Cont'd)

(i) in the case of an On-Market Share Purchase: 105% of the Average Closing Price; or

(ii) in the case of an Off-Market Share Purchase: 120% of the Average Closing Price;

in either case, excluding related expenses of the purchase or acquisition of shares by the Company pursuant to the Share Buy-Back Mandate;

"**Prescribed Limit**" means 10% of the total number of Shares as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount the issued ordinary share capital of the company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution. *(See Explanatory Note 3)*

9. **Proposed Sale of the Property Known As Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600130** **(Resolution 9)**

That:

(a) approval be and is hereby given for the proposed sale by Q & M Dental Centre Pte. Ltd. ("**QMDC**"), a wholly-owned subsidiary of the Company, of the property known as Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600130 (the "**Property**") to Allplus Holdings Pte. Ltd. and/or nominee (the "**Purchaser**"), on the terms and conditions of the conditional option to purchase granted by QMDC to the Purchaser on 7 January 2015 (the "**Proposed Sale**"); and

(b) any director of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary, desirable or expedient to give effect to the Proposed Sale, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) as he shall think fit and in the interests of the Company."

(See Explanatory Note 4)

Notice of Annual General Meeting

OTHER BUSINESS

10. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

ON BEHALF OF THE BOARD

Ng Chin Siau
Group Chief Executive Officer

10 April 2015

Explanatory Notes:

1. The Ordinary Resolution 4 and 5 are to re-elect the retiring Directors pursuant to Article 104 of the Company's Articles of Association:-

   (a) Narayanan Sreenivasan will, upon re-election as a Director of the Company, remain as the Independent Chairman of the Board and a member of Audit, Nominating and Remuneration Committees.

   (b) Dr Ng Jet Wei will, upon re-election as a Director of the Company, remain as the Deputy Chief Executive Officer.

2. The Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

3. The Ordinary Resolution 8, if passed, will renew the Share Buy-Back Mandate authorising the Directors of the Company to buy back shares of the Company by way of on-market purchase(s) and/or off-market purchase(s) according to the rules and regulations prescribed by the Companies Act and the Listing Rules of the SGX-ST. Further details are set out in the attached circular to shareholders dated 10 April 2015 in relation to the Proposed Renewal of the Share Buy-Back Mandate.

4. The Ordinary Resolution 9, if passed, will authorise the Proposed Sale of the Property by the Company to the Purchaser. Further details are set out in the attached circular to shareholders dated 10 April 2015 in relation to the Proposed Sale of the Property known as Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600130.

Notice of Annual General Meeting

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies in his/her stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies.

3. If the member is a corporation, the instrument appointing the proxy must be given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

4. The instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at 81 Science Park Drive, #02-04, The Chadwick, Singapore Science Park I, Singapore 118257 not less than 48 hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notice of Books Closure and Dividend Payment Date

The Company had on 27 February 2015 announced that, subject to the approval of shareholders to the Final Tax Exempt (1-tier) Dividend being obtained at the Annual General Meeting to be held on 28 April 2015, the Share Transfer Books and the Register of Members of the Company will be closed on 7 May 2015 for the preparation of dividend warrants for shareholders of ordinary shares registered in the books of the Company.

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 6 May 2015 will be registered to determine members entitlements to the proposed Final Tax Exempt (1-tier) 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 6 May 2015 will be entitled to the payment of the proposed Final Tax Exempt (1-tier) Dividend.

Payment of the proposed Final Tax Exempt (1-tier) Dividend, if approved at the Annual General Meeting, will be made on 18 May 2015.

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Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Registration No. : 200800507R)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies to buy Q & M Dental Group (Singapore) Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We ____________________________ (Name) ______________ (NRIC / Passport No./Company Registration No.) of ____________________________ (Address)
being * a member/members of Q & M Dental Group (Singapore) Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No./ Company Registration No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

Name	Address	NRIC/ Passport No./ Company Registration No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/they, the Chairman of the Annual General Meeting ("**AGM**"), as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at Parkroyal on Kitchener Road, 181 Kitchener Road, Singapore 208533, Emerald Ballroom 2 on Tuesday, 28 April 2015 at 2.00 pm and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as he/she/they will on any other matter arising at the AGM.

No.	Resolutions	For	Against
1.	To receive and adopt the Directors' Report and Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditor's Report thereon.		
2.	To declare a final tax exempt (1-tier) dividend of 0.32 cents per share for the financial year ended 31 December 2014.		
3.	To approve the Directors' fees of $252,000/- for the financial year ended 31 December 2014 [2013: $234,000/-].		
4.	To re-elect Narayanan Sreenivasan, retiring pursuant to Article 104 of the Company's Articles of Association.		
5.	To re-elect Dr Ng Jet Wei, retiring pursuant to Article 104 of the Company's Articles of Association.		
6.	To re-appoint RSM Chio Lim LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
8.	To approve the renewal of the Share Buy-Back Mandate of the Company.		
9.	To approve the Proposed Sale of the Property known as Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600130.		

Please indicate your vote "For" or "Against" with a [√] within the box provided.

Dated this ______________ day of ______________ 2015

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Member(s)/Common Seal

** Delete accordingly*

IMPORTANT: Please Read Notes for This Proxy Form.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.

3. Where a member appoints two proxies, the member must specify the proportion of shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer of the corporation or attorney duly authorised.

5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 81 Science Park Drive, #02-04, The Chadwick, Singapore Science Park I, Singapore 118257 not less than 48 hours before the time set for holding the AGM. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointments of the proxy shall be deemed to be revoked.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Directory of Q & M's Outlets in Singapore

DENTAL CENTRES

CITY SQUARE MALL
180 Kitchener Road
#B1-13/14 City Square Mall
Singapore 208539
Tel: 6509 1133

ORCHARD
176 Orchard Road
The Centrepoint
#03-16/17/18/19
Singapore 238843
Tel: 6732 2633

BUGIS
516A North Bridge Road
#02-00, #03-00, #04-00
Singapore 188740
Tel: 6837 2292

NOVENA
238 Thomson Road #02-47
Novena Square
Singapore 307683
Tel: 6258 2623

RAFFLES PLACE
20 Malacca Street #01-00
Singapore 048979
Tel: 6225 3033

DENTAL CLINICS

NORTH

Admiralty
Tel: 6365 3903

Khatib
Tel: 6852 3363

Marsiling
Tel: 6365 6500

Sembawang MRT
Tel: 6752 3093

Yishun Central
Tel: 6851 6789

SOUTH

Redhill MRT
Tel: 6272 4858

Tiong Bahru
Tel: 6270 8168

CENTRAL

Ang Mo Kio Central
Tel: 6554 3363

Braddell
Tel: 6259 2763
6358 1098

Bt. Timah
Tel: 6466 3393

Killiney
Tel: 6235 1638

Novena
Tel: 6251 3233

Paragon
Tel: 6838 0903

River Valley
Tel: 6338 2292

Serangoon Central
Tel: 6509 8858
6383 1763
6343 0398

Serangoon Garden
Tel: 6285 5333

Serangoon North
Tel: 6282 8597

Toa Payoh Central
Tel: 6356 6789
6256 3633

Toh Yi
Tel: 6762 7660

Towner Road
Tel: 6299 8980

EAST

Aljunied MRT
Tel: 6842 6878

Bedok Central
Tel: 6876 0533

Buangkok MRT
Tel: 6315 6882

Elias Mall
Tel: 6584 8793

Eunos MRT
Tel: 6749 8518

Hougang Central
Tel: 6386 2663

Hougang Mall
Tel: 6282 5500

Kallang MRT
Tel: 6547 1833

Marine Parade
Tel: 6346 1882

Old Airport Road
Tel: 6447 9033

Pasir Ris
Tel: 6583 0298

Punggol
Tel:6387 2683

Seletar
Tel: 6702 3738

Simei MRT
Tel: 6741 6819

Tampines Central
Tel: 6782 1293
6785 0608
6588 3233

WEST

Boon Lay MRT
Tel: 6791 3323
6794 5263

Bt. Batok
Tel: 6665 4233
6569 6116
6569 3239

Bt. Gombak
Tel: 6569 3120

Bt. Gombak MRT
Tel: 6562 1161

Bt. Panjang
Tel: 6766 3363

Clementi Central
Tel: 6872 3633
6778 2768

Holland Village MRT
Tel: 6892 3913

Jelapang
Tel: 6891 2668

Jurong East Central
Tel: 6425 0398

MEDICAL CLINICS

SERANGOON CENTRAL
Tel: 6488 2336

MEDICAL & AESTHETICS

FARRER PARK
Tel: 6509 9558

TAMPINES
Tel: 6781 3323

AESTHETICS

THE FACE AESTHETIC CLINIC
Tel: 6223 6788

Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore on 7 January 2008)
(Unique Entity Number 200800507R)

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Singapore Science Park 1
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www.TheFaceAestheticClinic.com.sg

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