



Full Year Financial Statement Announcement And Dividend Announcement For The Year Ended 31 December 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

1(a) A Consolidated Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Unaudited Consolidated Statement of Comprehensive Income of our Group for the full year (twelve months) ended 31 December 2017

	Note	Group		
		12 Months ended 31/12/2017 \$'000	12 Months ended 31/12/2016 \$'000	Change %
Revenue				
Dental and Medical Clinics Excluding Aoxin *		108,664	105,698	3
Dental Clinics – Aoxin		4,145	13,022	(68)
Dental Equipment & Supplies Distribution Excluding Aoxin		8,623	8,769	(2)
Dental Equipment & Supplies Distribution – Aoxin		2,060	4,961	(58)
Dental Supplies Manufacturing Excluding Aidite		-	-	NM
Dental Supplies Manufacturing - Aidite		-	22,487	NM
Other Items of Income				
Interest Income		173	366	(53)
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(8,092)	(10,183)	(21)
Cost of Sales - Dental Equipment & Supplies		(7,453)	(9,792)	(24)
Cost of Dental Supplies Manufacturing		-	(8,748)	NM
Employee Benefits Expense		(69,759)	(74,581)	(6)
Depreciation and Amortisation Expense		(3,255)	(4,457)	(27)
Rental Expense		(12,798)	(12,694)	1
Other Expenses		(8,469)	(12,791)	(34)
Finance Costs		(3,243)	(3,404)	(5)
Other (Losses) / Gains	1(a)(i)	9,866	16,871	(42)
Share of Profit from Equity-Accounted Associates		3,950	-	NM
Profit Before Tax from Continuing Operations		24,412	35,524	(31)
Income Tax Expense		(739)	(2,204)	(66)
Profit From Continuing Operations, Net of Tax		23,673	33,320	(29)
Other Comprehensive Income / (Loss):				
Exchange Differences on Translating Foreign Operations, Net of Tax		(102)	(1,278)	(92)
Other Comprehensive Income / (Loss) for the Period, Net of Tax		(102)	(1,278)	(92)
Total Comprehensive Income for the Period		23,571	32,042	(26)
Profit / (Loss) attributable to:				
Owners of the Parent, Net of Tax		23,869	28,301	(16)
Non-Controlling Interests, Net of Tax		(196)	5,019	NM
Profit Net of Tax		23,673	33,320	(29)
Profit / (Loss) Excluding Other Gains / (Losses) attributable to:				
Owners of the Parent, Net of Tax		14,003	11,430	23
Non-Controlling Interests, Net of Tax		(196)	5,019	NM
Profit Net of Tax		13,807	16,449	(16)
Total Comprehensive Income attributable to:				
Owners of the Parent		23,827	27,418	(13)
Non-Controlling Interests		(256)	4,624	NM
Total Comprehensive Income		23,571	32,042	(26)

NM: Not Meaningful



Q & M Dental Group (Singapore) Limited
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* Excluding the revenue from the deconsolidation of Aoxin from a subsidiary to an associate in April 2017, dental and medical clinics revenue increased by 3% in the 12 months ended December 2017 compared to the 12 months ended December 2016.

Notes:

1(a)(i) Other (Losses) / Gains

	12 Months ended	
	31/12/2017	31/12/2016
	\$'000	\$'000
Gain on Disposal of Plant & Equipment	13	8
Plant & Equipment Written Off	(100)	(802)
Foreign Exchange Translation Loss	(7)	(140)
Profit Guarantee Received / Receivable from Vendors / Shareholders	604	433
PIC Cash Payout	(39)	540
Gain on Disposal of Subsidiaries	17,392	21,327
Provision for Impairment on Goodwill and Intangible Assets	(1,611)	(4,142)
Provision - Asset Held for Sale	(1,584)	-
Provision - Other Receivables ^(a)	(1,216)	-
Provision - Trade Receivables	(77)	-
Provision for Legal Fee ^(a)	(604)	-
Provision for Due Diligence Fee	(331)	-
Impairment of Plant & Equipment	(167)	-
Impairment of Inventory	(49)	-
Professional Fees and Expenses in Relation to the Spin-Off of Aoxin and Aidite	(2,350)	(1,115)
Enhanced Special Employment Credit and Wage Credit Scheme	(8)	762
	9,866	16,871

Note (a): These sums include matters where there are ongoing legal proceedings and provisions are made as a matter of prudence as the sums due are subject to recoverability.



1(b)(i) A Statement of Financial Position of the Group and the Issuer, together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	20,329	27,381	343	379
Investment in Subsidiaries	-	-	77,857	85,638
Investment in Associates	74,887	39,812	32,692	-
Intangible Assets	53,453	75,548	-	-
Other Receivables	1,438	289	1,356	200
Other Assets	6,270	6,371	161	76
Total Non-Current Assets	156,377	149,401	112,409	86,293
<u>Current Assets</u>				
Inventories	6,468	7,614	-	-
Trade and Other Receivables	15,916	23,925	51,785	72,953
Assets Held For Sale	-	1,584	-	-
Other Assets	3,197	3,206	770	832
Cash and Cash Equivalents	37,040	44,091	10,458	10,077
Total Current Assets	62,621	80,420	63,013	83,862
Total Assets	218,998	229,821	175,422	170,155
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	86,758	86,758	86,758	86,758
Treasury Shares	(6,835)	(5,795)	(6,835)	(5,795)
Retained Earnings	34,591	35,074	11,567	7,034
Other Reserves, Total	(1,373)	(1,354)	-	-
Equity Attributable to Owners of the Parent, Total	113,141	114,683	91,490	87,997
Non-Controlling Interests	958	7,360	-	-
Total Equity	114,099	122,043	91,490	87,997
<u>Non-Current Liabilities</u>				
Provisions	643	615	-	-
Deferred Tax Liabilities	1,120	1,402	-	-
Other Financial Liabilities	24,434	69,269	15,000	59,620
Total Non-Current Liabilities	26,197	71,286	15,000	59,620
<u>Current Liabilities</u>				
Trade and Other Payables	18,230	20,982	8,982	7,538
Other Financial Liabilities	60,472	15,510	59,950	15,000
Total Current Liabilities	78,702	36,492	68,932	22,538
Total Liabilities	104,899	107,778	83,932	82,158
Total Equity and Liabilities	218,998	229,821	175,422	170,155



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

	<u>As at 31/12/2017</u>	<u>As at 31/12/2016</u>
	\$'000	\$'000
<u>Bank Loans</u>		
Amount repayable within one year	262	15,263
Amount repayable after one year	19,072	4,276

The bank loans are secured by legal mortgages of properties, plant and equipment and corporate guarantee from the Company.

	<u>At 31/12/2017</u>	<u>At 31/12/2016</u>
	\$'000	\$'000
<u>Medium Term Note</u>		
Amount repayable within one year	59,950	-
Amount repayable after one year	-	59,620

On 19 March 2015, the Company issued \$60 million 4.40 per cent. 3 year Medium Term Note ("MTN") pursuant to the \$200 million Multicurrency Medium Term Note Programme.

	<u>At 31/12/2017</u>	<u>At 31/12/2016</u>
	\$'000	\$'000
<u>Finance Leases</u>		
Amount repayable within one year	2	2
Amount repayable after one year	2	13

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

	<u>As at 31/12/2017</u>	<u>As at 31/12/2016</u>
	\$'000	\$'000
<u>Bills Payable</u>		
Amount repayable within one year	258	245
Amount repayable after one year	-	-

The bills payable of the subsidiary are secured or covered by corporate guarantee, joint and severally guaranteed by certain directors and negative pledge.

	<u>As at 31/12/2017</u>	<u>As at 31/12/2016</u>
	\$'000	\$'000
<u>Preference Shares</u>		
Amount repayable within one year	-	-
Amount repayable after one year	5,360	5,360

Preference shares issued on 23 December 2016 by Q & M Aidite International Pte. Ltd. to Q & M Professionals Holding Pte. Ltd. which will be mandatorily redeemed in 6 years time.



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

	Group	
	12 Months ended	
	31/12/2017	31/12/2016
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	24,412	35,524
Adjustments for:		
Interest Income	(173)	(366)
Interest Expense	3,243	3,404
Gain on Disposal of Subsidiary	(17,392)	(21,327)
Depreciation of Property, Plant and Equipment and Amortisation Expenses	3,255	4,457
Foreign Currency Translation Reserve	399	(806)
Gain on Disposal of Plant and Equipment, net	(13)	(8)
Impairment of Plant and Equipment	167	-
Provision for Impairment on Goodwill and Intangible Assets	1,611	4,142
Provision for Impairment on Asset Held for Sale	1,584	-
Provisions	28	57
Plant and Equipment Written Off	100	802
Share of Profit from Equity – Accounted Associates	(3,950)	-
Development Cost Expensed off	-	138
Operating Cash Flows Before Changes in Working Capital	13,271	26,017
Inventories	(577)	(4,709)
Trade and Other Receivables	114	1,068
Other Assets	293	(1,352)
Trade and Other Payables	3,494	680
Net Cash Flows From Operations Activities Before Interest and Tax	16,595	21,704
Income Taxes Paid	(507)	(2,811)
Net Cash Flows From Operating Activities	16,088	18,893
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Plant and Equipment	(4,862)	(7,092)
Deconsolidation of Subsidiary (Net of Cash Disposed)	(8,281)	(6,643)
Disposal of Property, Plant and Equipment	564	1,167
Other Assets	52	77
Trade and Other Receivables	182	538
Development Costs	-	(1,156)
Disposal of Subsidiary (Net of Cash Disposed)	242	-
Proceeds From Disposal of Interest in Subsidiary	5,358	-
Proceeds From Disposal of Interest in Associate	1,567	-
Other Receivables, Non-Current	(1,149)	(54)
Net Movement in Amount Due to Vendors of Subsidiaries	(451)	-
Acquisition of Subsidiaries (Net of Cash Acquired)	(383)	(8,897)
Acquisition of Remaining interest in Subsidiaries	(1,250)	-
Interest Received	173	366
Net Cash Flows Used in Investing Activities	(8,238)	(21,694)



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	Group	
	12 Months ended	12 Months ended
	31/12/2017	31/12/2016
	\$'000	\$'000
Cash Flows Used in Financing Activities		
Contribution by Non-Controlling Interest	1,157	3,010
Finance Lease Repayments	(12)	(96)
Share Issue Expenses	-	(201)
Share Buy Back Exercise	(1,461)	(5,184)
Dividend Paid to Non-Controlling Interest	-	(1,603)
Bank Loans	-	10,000
Bill Payables	12	(52)
Net Movement in Amount Due to Directors of Subsidiaries	-	(3,366)
Repayment of Bank Loans	(203)	(9,891)
Interest Paid	(3,243)	(3,404)
Net Movement in Amount Due from Shareholders of Subsidiaries	-	(506)
Dividends Paid to Equity Owners	(11,151)	(6,691)
Net Cash Flows Used in Financing Activities	(14,901)	(17,984)
Net Decrease in Cash and Cash Equivalents in Continuing operations	(7,051)	(20,785)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Year	44,091	64,876
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Year	37,040	44,091
Cash and Cash Equivalents at End of Year includes the following:		
Cash and Bank Balances	37,040	44,091
Cash and Cash Equivalents at End of Year	37,040	44,091



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

	<u>Total Equity</u>	<u>Attributable to Parent Sub-total</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Treasury Shares</u>	<u>Other Reserves</u>	<u>Non-Controlling Interest</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group - Current Year							
Opening Balance at 1 January 2017	122,043	114,683	86,758	35,074	(5,795)	(1,354)	7,360
Movements in Equity:							
Total Comprehensive Income for the year	23,571	23,827	-	23,869	-	(42)	(256)
Deconsolidation of Subsidiary to Associate	(19,324)	(5,158)	-	-	-	(5,158)	(14,166)
Share Buy Back	(1,461)	(1,461)	-	-	(1,461)	-	-
Issue of Share Capital	421	421	-	-	421	-	-
Dividends Paid	(11,151)	(11,151)	-	(11,151)	-	-	-
Increase in Non-Controlling Interest Without a Change in Control	-	(10,111)	-	(13,201)	-	3,090	10,111
Decrease in Non-Controlling Interest Without a Change in Control	-	2,091	-	-	-	2,091	(2,091)
Closing Balance at 31 December 2017	114,099	113,141	86,758	34,591	(6,835)	(1,373)	958
Group - Previous Year							
Opening Balance at 1 January 2016	108,208	92,124	80,089	13,464	(727)	(702)	16,084
Movements in Equity:							
Total Comprehensive Income for the year	32,042	27,418	-	28,301	-	(883)	4,624
Increase in Non-Controlling Interest Without a Change in Control	5,102	2,051	-	-	-	2,051	3,051
Deconsolidation of Subsidiary to Associate	(20,284)	(1,820)	-	-	-	(1,820)	(18,464)
Acquisition of Subsidiaries	658	-	-	-	-	-	658
Share Issue Expenses	(201)	(201)	(201)	-	-	-	-
Share Buy Back	(5,068)	(5,068)	-	-	(5,068)	-	-
Issue of Share Capital	6,870	6,870	6,870	-	-	-	-
Dividends Paid	(6,691)	(6,691)	-	(6,691)	-	-	-
Dividends Paid To Non-Controlling Interests	(1,603)	-	-	-	-	-	(1,603)
Contribution by Non-Controlling Interests	3,010	-	-	-	-	-	3,010
Closing Balance at 31 December 2016	122,043	114,683	86,758	35,074	(5,795)	(1,354)	7,360



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

	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Other Reserve</u>	<u>Retained Earnings</u>
	\$'000	\$'000		\$'000	\$'000
Company - Current year					
Opening Balance at 1 January 2017	87,997	86,758	(5,795)	-	7,034
Movements in Equity:					
Total Comprehensive Income for the year	15,684	-	-	-	15,684
Issue of Share Capital	421	-	421	-	-
Share Buy Back	(1,461)	-	(1,461)	-	-
Dividends Paid	(11,151)	-	-	-	(11,151)
Closing Balance at 31 December 2017	91,490	86,758	(6,835)	-	11,567
Company - Current year					
Opening Balance at 1 January 2016	80,292	80,089	(727)	-	930
Movements in Equity:					
Total Comprehensive Income for the year	12,795	-	-	-	12,795
Issue of Share Capital	6,870	6,870	-	-	-
Share Issue Expenses	(201)	(201)	-	-	-
Share Buy Back	(5,068)	-	(5,068)	-	-
Dividends Paid	(6,691)	-	-	-	(6,691)
Closing Balance at 31 December 2016	87,997	86,758	(5,795)	-	7,034



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

Ordinary shares

	<u>Number of Shares</u>	<u>Share Capital</u>
	'000	\$'000
At 1 Jan 2017	796,564	80,963
At 31 Dec 2017	794,868	79,723

Employee Share Option

During the year ended 31 December 2017, no share options were issued or exercised. No share options outstanding as at 31 December 2017 (31 December 2016: NIL).

Treasury Shares

On 9 March 2017, the Company announced the transfer of 466,666 ordinary shares from its treasury shares as consideration shares to Dr. Ho Chuk Ping for the acquisition of Ho Dental Surgery.

On 30 April 2017, the Company announced the transfer of 118,055 ordinary shares from its treasury shares as consideration shares to Dr. Markandoo Sivakumaran for the acquisition of British Dental Surgery Pte. Ltd..

During the year ended 31 December 2017, the Company has bought back 2,280,500 shares by way of market acquisition and all shares acquired are held as treasury shares (FY 2016: 8,323,800).

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

	As at 31/12/2017	As at 31/12/2016
Total number of issued shares excluding treasury shares	794,868,221	796,564,000

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

466,666 number of treasury shares of \$336,000 were used for consideration shares to Dr. Ho Chuk Ping, 118,055 number of treasury shares of \$85,000 were used for consideration shares to Dr. Markandoo Sivakumaran and 2,280,500 number of treasury shares of \$1.5 million were bought back by way of market acquisition.



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

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

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

Not applicable.

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

Except as set out in Note 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements as at 31 December 2016.

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

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

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

Earnings per ordinary share for the period :-	Group 12 Months ended	
	31/12/2017	31/12/2016
(i) Basic earnings per share (cents)	3.00	3.56
(ii) On a fully diluted basis (cents)	3.00	3.56

The basic EPS for the year ended 31 December 2017 and 31 December 2016 have been computed based on the profit attributable to equity holders of parent, net of tax and the weighted average number of ordinary shares of 796,345,656 shares and 794,253,240 shares respectively.

There is no dilutive effect on the EPS for the period ended 31 December 2017 and 31 December 2016.



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

	Group		Company	
	As at		As at	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share (cents)	14.2	14.4	11.5	11.0

The net asset value per ordinary share of the Group and the Company as at 31 December 2017 and 31 December 2016 have been calculated based on the total issued number of ordinary shares of 794,868,221 (2016: 796,564,000).

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

Statement of Comprehensive Income

Revenue

Revenue from dental and medical clinics decreased 5% from \$118.7 million for the 12 months ended 31 December 2016 ("FY16") to \$112.8 million for the 12 months ended 31 December 2017 ("FY17"). The decrease of \$5.9 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by higher revenue from acquired dental outlets in Singapore.

As at 31 December 2017, the Group has a total of 70 dental outlets and 4 medical outlets in operations, compared to 71 dental outlets, 4 medical outlets and 1 aesthetic centre as at 31 December 2016 in Singapore.

As at 31 December 2017, the Group has a total of 14 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 6 dental outlets in Malaysia and 4 dental hospitals and 8 dental outlets in PRC as at 31 December 2016.

Revenue contribution from the dental equipment and supplies distribution business decreased 22% from \$13.7 million in FY16 to \$10.7 million in FY17. The decrease of \$3.0 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

There was no revenue from dental supplies manufacturing in FY17 as Aidite was deconsolidated in December 2016 and is now an associate of the Group.



Other Gains / (Losses)

Other gains / (losses) in FY17 amounted to \$9.9 million compared to \$16.9 million in FY16. The decrease was mainly due to a lower one-time gain of \$17.1 million from the spin-off of Aoxin from a subsidiary to an associate in April 2017 as compared to a one-time gain of \$21.3 million from the spin-off of Aidite from a subsidiary to an associate in FY16. Provision on impairment on goodwill and provision for legal fees and due diligence fees also contributed to the decrease.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used decreased 21% from \$10.2 million in FY16 to \$8.1 million in FY17. The decrease was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 as well as a change in accounting treatment implemented in FY17 for instruments which are now capitalised resulting in lower cost of consumables and supplies used in FY17.

As a percentage of revenue from the dental and medical clinics, consumables and dental supplies used in the dental and medical outlets in FY17 was 7.2% compared to 8.6% in FY16.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business decreased 24% from \$9.8 million in FY16 to \$7.5 million in FY17. The decrease was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

As a percentage of revenue from dental equipment and supplies distribution, cost of sales used in the dental equipment and supplies distribution in FY17 was 69.8% compared to 71.3% in FY16.

Cost of Dental Supplies Manufacturing

There was no cost of dental supplies manufacturing as Aidite was deconsolidated in December 2016 and is now an associate of the Group.

Employee Benefits Expense

Employee benefits expense decreased 6% from \$74.6 million in FY16 to \$69.8 million in FY17. The decrease of \$4.8 million was mainly due to the deconsolidation of Aidite in December 2016 and Aoxin in April 2017 from subsidiaries to associates offset by increase in employee benefits expenses for acquired and new clinics in Singapore and Malaysia.

As a percentage of revenue, employee benefits expense in FY17 was 56.5% compared to 48.1% in FY16.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased 27% from \$4.5 million in FY16 to \$3.3 million in FY17. The decrease of \$1.2 million was mainly due to the deconsolidation of Aidite in December 2016 and Aoxin in April 2017. Aidite and Aoxin are now associates of the Group.

As a percentage of revenue, depreciation and amortisation expenses in FY17 was 2.6% compared to 2.9% in FY16.

Other Expenses

Other expenses decreased 34% from \$12.8 million in FY16 to \$8.5 million in FY17. The decrease of \$4.3 million was mainly due to the the deconsolidation of Aidite in December 2016 and Aoxin in April 2017. Aidite and Aoxin are now associates of the Group.

As a percentage of revenue, other expenses in FY17 was 6.9% compared to 8.3% in FY16.



Profit Before Tax and Net Profit

For the reasons given above, the Group's profit before tax decreased 31% from \$35.5 million in FY16 to \$24.4 million in FY17.

After excluding other gains / (losses) and loss attributable to non-controlling interests, profit attributable to owners of the parent increased 23% from \$11.4 million in FY 16 to \$14.0 million in FY17.

Statement of Financial Position

As at 31 December 2017, the Group has cash and cash equivalents of \$37.0 million, MTN, bank borrowings and finance leases amounted to \$84.9 million.

Current Assets

Cash and cash equivalents as at 31 December 2017 decreased to \$37.0 million from \$44.1 million as at 31 December 2016. The decrease of \$7.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017, \$1.5 million for share buyback and dividend payment of \$11.2 million offset by cash received of \$5.4 million for the settlement of amount owing for the subscription of preference shares in Q & M Aidite International Pte. Ltd..

Trade and other receivables as at 31 December 2017 decreased to \$15.9 million from \$23.9 million as at 31 December 2016. The decrease of \$8.0 million was mainly due to cash received for the settlement of amount owing for the subscription of preference shares in Q & M Aidite International Pte. Ltd. as well as the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

Inventories as at 31 December 2017 decreased to \$6.5 million from \$7.6 million as at 31 December 2016. The decrease of \$1.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

Non-Current Assets

The net book value of property, plant and equipment as at 31 December 2017 decreased to \$20.3 million from \$27.4 million as at 31 December 2016. The decrease of \$7.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

The intangible assets as at 31 December 2017 decreased to \$53.5 million from \$75.5 million as at 31 December 2016. The decrease of \$22.0 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 as well as the impairment on goodwill for Chuangyi.

Investment in associates as at 31 December 2017 increased to \$74.9 million from \$39.8 million as at 31 December 2016. The increase of \$35.1 million was due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 off set by the disposal of preference shareholding of Q & M Aidite International Pte. Ltd. in FY17.

Current Liabilities

Trade and other payables as at 31 December 2017 decreased to \$18.2 million from \$21.0 million as at 31 December 2016. The decrease of \$2.8 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.



Other financial liabilities as at 31 December 2017 increased to \$60.5 million from \$15.5 million as at 31 December 2016. The increase of \$45.0 million was mainly due to the reclassification of MTN from non-current liability to current liability as the MTN will be repaid by 18 March 2018, and therefore the current liability exceed current assets by \$16.1 million as at 31 December 2017. The Company has since secured \$60.0 million bank facility as at 25 January 2018 to repay the MTN due on 18 March 2018.

Non-Current Liabilities

Other financial liabilities as at 31 December 2017 decreased to \$24.4 million from \$69.3 million as at 31 December 2016 due to the reclassification of MTN from non-current liability to current liability.

Statement of Cash Flows

The Group generated net cash flow from operating activities of \$16.1 million in FY17. This was mainly derived from the profit generated in FY17.

Net cash used in investing activities in FY17 amounted to \$8.2 million, mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by the receipt for the subscription of preference shares in Q & M Aidite International Pte. Ltd..

Net cash used in financing activities in FY17 was \$14.9 million mainly due to share buyback, interest payment and dividend payment of \$11.2 million.

Consequent to the above factors, the Group's cash and cash equivalents was \$37.0 million as at 31 December 2017.

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

No forecast had been issued for the current financial reporting period. The financial results are in line with the expectations as disclosed in previous quarterly announcements.

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

Industry Prospects

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

Recent Developments

- Sale and Purchase of Shares in Aidite (Qinhuangdao) Technology Co., Ltd. ("Aidite")

On 27 September 2017, the Company and Qianhai Jianyuan Investment Consultancy (Shenzhen) Co., Ltd. had agreed to terminate the Aidite Share Transfer Agreement, previously announced on 4 April 2017.



Further, on 15 November 2017, the Company had completed a share purchase agreement with Dr. Cheah Kim Fee (“Dr Cheah”), All Win Investment Holdings Pte. Ltd. (“All Win”), Full Win Investment Holdings Pte. Ltd. (“Full Win”) and Initial Capital Investment Pte. Ltd. (“Initial Capital”) whereby All Win, Full Win and Initial Capital shall purchase 4.15% of the total preference shareholding of Q & M Aidite International Pte. Ltd. (“Sales Shares”) from the Company and Dr. Cheah.

- Disposal of Shares in Q & M Medical Aesthetic & Laser Centre Pte. Ltd.

On 4 December 2017, the Company announced the completion of a share purchase agreement with Dr. Li Jingxiang for the disposal of Q & M Medical Aesthetic & Laser Centre Pte. Ltd. for a total consideration of \$0.2 million.

- Establishment of \$500 million Multicurrency Debt Issuance Programme

On 5 December 2017, the Company announced the establishment of a \$500 million Multicurrency Debt Issuance Programme (the “Programme”), under which the Company may issue notes and perpetual securities from time to time. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited have been appointed by the Company as the joint arrangers and dealers of the Programme. The proceeds of this Programme is to be used for general corporate purposes, including financing acquisitions and/or investments (including investments in associated companies), refinancing of borrowings and financing of working capital and capital expenditure requirements of Issuer and/or its subsidiaries.

- Conclusion of Strategic Review of the Company’s Business

On 25 December 2017, the Company announced the observations of Religare Capital Markets Corporate Finance Pte. Ltd., its appointed financial adviser (“FA”) to undertake an independent strategic review of options available for its business. Based on the FA report, the Company is of the opinion that no change in the strategy of the Company is required and has therefore concluded the strategic review.

- Cessation of Interest in the Proposed Acquisition of the Business Assets of Starbite Dental Centre

On 25 January 2018, the Company announced the cessation of interest in the proposed acquisition of 100% of the business assets of Starbite Dental Centre.

- Facility Agreement with United Overseas Bank Limited (“UOB”) and Oversea-Chinese Banking Corporation Limited (“OCBC”)

On 25 January 2018, the Company entered into banking facility agreements with: a) UOB pursuant to which a \$30 million, 3 years term loan has been granted to the Company; and b) OCBC pursuant to which a \$30 million, 3 years term loan has been granted to the Company. The banking facilities are to be used for the redemption of the \$60 million 4.40 per cent. MTN due on 18 March 2018.



Future Plans

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

- Expansion of network of dental clinics in Singapore and acquisitions of specialist dental clinics in Singapore

The Group will be focusing on its operations in Singapore and has initiated a strategy of intensive organic growth of its dental clinics in Singapore. It will expand its team of dentists to support the future growth of its operations in Singapore. While the eventual number of dental outlets will depend on opportunities and market conditions, the Group believes it is well-positioned to cater to the rising demand for primary and higher value specialist dental healthcare services.

- Expansion into private dental healthcare market in Malaysia

Currently, the Group operates 6 dental clinics in Johor, 1 dental centre and 4 dental clinics in Kuala Lumpur and 3 dental clinics in Malacca. The Group is closely monitoring the Malaysian economy with a view of further expansion in Malaysia.

- Expansion into private dental healthcare market in the People's Republic of China ("PRC")

The main thrust of the Group's proposed joint ventures and organic growth initiatives in PRC is to develop a new and sustainable growth pillar that can yield long term value for the Group. The Group will continue to seek opportunities for the acquisition of larger and established dental institutions and dental supplies manufacturers in PRC.

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

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

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.7 cents per ordinary share
Tax Rate	One Tier Tax Exempt

Name of dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.42 cents per ordinary share
Tax Rate	One Tier Tax Exempt

Name of dividend	Special Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cents per ordinary share
Tax Rate	One Tier Tax Exempt



- (b) **Corresponding Period of the immediately Preceding Financial Year**
Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.42 cents per ordinary share
Tax Rate	One Tier Tax Exempt

Name of dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.7 cents per ordinary share
Tax Rate	One Tier Tax Exempt

- (c) **The date the dividend is payable.**

The Directors are pleased to recommend a final dividend of 0.42 cents per share and a special dividend of 0.5 cents per share in respect of the financial year ended 31 December 2017 for approval by the shareholders at the Annual General Meeting.

The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be paid on 18 May 2018.

- (d) **Book closure date**

Notice is hereby given, subject to the approval of the shareholders of Q & M Dental Group (Singapore) Limited (the "Company") to the proposed final dividend and special dividend at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 4 May 2018 on which day no share transfer will be effected.

Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road, #11-02 Singapore 068898, up to 5.00 p.m. on 3 May 2018 will be registered to determine members' entitlements to the final dividend and special dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 3 May 2018 will be entitled to the payment of the final dividend and special dividend.

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

Not applicable.



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

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

The Group has three reportable segments as described below.

- Primary Healthcare comprising dentistry, family medicine, aesthetic and specialist services.
- Dental Equipment Distribution comprising distribution of dental supplies and equipment.
- Dental Supplies Manufacturing comprising distribution of manufactured dental supplies.

	2017	2016
	\$'000	\$'000
Segment Revenue		
Primary Healthcare	112,809	118,720
Dental Equipment & Supplies Distribution	10,683	13,730
Dental Supplies Manufacturing	-	22,487
Total	123,492	154,937

Segment Result

Primary Healthcare	9,996	11,431
Dental Equipment & Supplies Distribution	(165)	141
Dental Supplies Manufacturing	-	7,882
Gain on Disposal of Subsidiaries	17,392	21,327
Professional Fees and Expenses in Relation to the Spin-Off of Aidite and Aoxin	(2,350)	(1,115)
Provision for Impairment on Asset Held for Sale	(1,584)	-
Provision for Impairment on Goodwill	(1,611)	(4,142)
Provision for Impairment on Other Receivables	(1,216)	-
Share of Profit from Equity-Accounted Associates	3,950	-
Consolidated Profit Before Income Tax	24,412	35,524
Income Tax Expense	(739)	(2,204)
Profit for the year	23,673	33,320

Segment Asset

Primary Healthcare	211,642	218,871
Dental Equipment & Supplies Distribution	7,356	10,950
Dental Supplies Manufacturing	-	-
Total	218,998	229,821

Segment Liability

Primary Healthcare	102,349	103,399
Dental Equipment & Supplies Distribution	2,550	4,379
Dental Supplies Manufacturing	-	-
Total	104,899	107,778



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

	2017	2016
	\$'000	\$'000
Capital Expenditure		
Primary Healthcare	5,155	19,760
Dental Equipment & Supplies Distribution	177	907
Dental Supplies Manufacturing	-	3,384
Total	<u>5,332</u>	<u>24,051</u>
Depreciation		
Primary Healthcare	3,000	3,790
Dental Equipment & Supplies Distribution	52	57
Dental Supplies Manufacturing	-	347
Total	<u>3,052</u>	<u>4,194</u>
Amortisation		
Primary Healthcare	203	103
Dental Equipment & Supplies Distribution	-	45
Dental Supplies Manufacturing	-	115
Total	<u>203</u>	<u>263</u>
Finance Cost		
Primary Healthcare	3,243	3,401
Dental Equipment & Supplies Distribution	-	3
Dental Supplies Manufacturing	-	-
Total	<u>3,243</u>	<u>3,404</u>

Geographical segments

The Group has dentistry business in Singapore, Malaysia and PRC, dental equipment and supplies distribution business in Singapore and Malaysia and manufacturing of dental supplies business in PRC.

	2017	2016
	\$'000	\$'000
Segment Revenue		
Singapore	108,968	106,188
Malaysia	6,745	6,645
China	7,779	42,104
Total	<u>123,492</u>	<u>154,937</u>
Segment Asset – Non-Current		
Singapore	73,039	72,229
Malaysia	2,633	1,562
China	80,705	75,610
Total	<u>156,377</u>	<u>149,401</u>



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

Performance by business segment

The decrease in primary healthcare segment revenue and result in FY17 as compared to FY16 was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by higher revenue and result contribution by acquired clinics in Singapore.

The decrease in dental equipment and supplies distribution segment revenue and result in FY17 as compared to FY16 was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

There was no revenue from dental supplies manufacturing in FY17 as Aidite was deconsolidated in December 2016 and is now an associate of the Group.

Performance by geographical segment

The increase in the contribution to the Group's revenue from Singapore operations in FY17 as compared to FY16 was mainly due to higher contribution from the acquired clinics in Singapore.

The increase in the contribution to the Group's revenue from Malaysia operations in FY17 as compared to FY16 was mainly due to contribution from the new dental clinics in Malaysia.

The decrease in the contribution to the Group's revenue from PRC operations in FY17 as compared to FY16 was mainly due to the deconsolidation of Aidite in FY16 and Aoxin in April 2017. Aidite and Aoxin are now associates of the Group.

15. A breakdown of sales

	Group		Change %
	2017 \$'000	2016 \$'000	
15(a) Revenue reported for first half	61,619	72,677	(15.2)
15(b) Operating profit after tax before deducting non-controlling interests reported for first half year	17,352	9,453	83.6
15(c) Revenue reported for second half	61,873	82,260	(24.8)
15(d) Operating profit after tax before deducting non-controlling interests reported for second half year.	6,321	23,867	(73.5)

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

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary*	12,896	8,922
Preference	-	-
Total	12,896	8,922

*Total annual dividend for FY17 comprises recommended FY17 final dividend (from FY17H2 profit) of \$3.34 million and special dividend of \$3.97 million, and \$5.58 million interim dividend paid in respect of FY17H1 profit.

*Total annual dividend for FY16 comprises recommended FY16 final dividend (from FY16H2 profit) of \$5.58 million, and \$3.34 million interim dividend paid in respect of FY16H1 profit.



17. Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rules 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

18. Interested person transactions

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

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

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Foo Siew Jiuan	49	Wife of Dr Ng Chin Siau, Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited ("QDGS").	General Manager (1999)	None
Ng Sook Hwa	46	Sister-in-law of Ng Sook Hwa, Group Financial Controller of QDGS. Wife of San Yi Leong, Business Development Director of QDGS	Group Financial Controller (June 2011)	None
San Yi Leong	40	Sister of Dr Ng Chin Siau, Group Chief Executive Officer of QDGS. Husband of Ng Sook Hwa, Group Financial Controller of QDGS. Brother-in-law of Dr Ng Chin Siau, Group Chief Executive Officer of QDGS	Business Development Director of QDGS (March 2017)	Chief Financial Officer of Aoxin Q & M Dental Group Limited (March 2015)

BY ORDER OF THE BOARD

Dr. Ng Chin Siau
Group Chief Executive Officer
27 February 2018