



Financial Statement Announcement For The 1st Quarter Ended 31 March 2018 (“1Q18”)

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

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

	Note	Group		
		3 Months ended 31/3/2018	3 Months ended 31/3/2017	Change
		\$'000	\$'000	%
Revenue				
Dental and Medical Clinics Excluding Aoxin		26,708	25,622	4
Dental Equipment & Supplies Distribution Excluding Aoxin		1,984	1,648	20
Sub Total		28,692	27,270	5
Dental Clinics – Aoxin		-	3,316	NM
Dental Equipment & Supplies Distribution – Aoxin		-	1,409	NM
Total Revenue		28,692	31,995	(10)
Other Items of Income				
Interest Income		58	38	53
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(2,007)	(1,784)	13
Cost of Sales - Dental Equipment & Supplies Distribution		(1,436)	(2,263)	(37)
Employee Benefits Expense		(16,497)	(17,489)	(6)
Depreciation and Amortisation Expenses		(772)	(922)	(16)
Rental Expense		(3,173)	(3,275)	(3)
Other Expenses		(1,524)	(2,125)	(28)
Other (Losses) / Gains	1(a)(i)	620	338	83
Finance Costs		(733)	(816)	(10)
Share of Profit from Equity-Accounted Associates		1,276	502	154
Profit Before Tax from Continuing Operations		4,504	4,199	7
Income Tax Expense		(39)	(392)	(90)
Profit From Continuing Operations, Net of Tax		4,465	3,807	17
Other Comprehensive Income:				
Exchange Differences on Translating Foreign Operation, Net of Tax		693	(477)	NM
Other Comprehensive Loss for the Period, Net of Tax		693	(477)	NM
Total Comprehensive Income for the Period		5,158	3,330	55
Profit / (Loss) attributable to:				
Owners of the Parent, Net of Tax		4,499	3,841	17
Non-Controlling Interests, Net of Tax		(34)	(34)	NM
Profit Net of Tax		4,465	3,807	17
Profit / (Loss) Excluding Other Gains / (Losses) attributable to:				
Owners of the Parent, Net of Tax		3,879	3,503	11
Non-Controlling Interests, Net of Tax		(34)	(34)	NM
Profit Net of Tax		3,845	3,469	11
Total Comprehensive Income attributable to:				
Owners of the Parent		5,164	3,469	49
Non-Controlling Interests		(6)	(139)	NM
Total Comprehensive Income		5,158	3,330	55

NM: Not Meaningful



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

Notes:

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

	3 Months ended	
	31/3/2018	31/3/2017
	\$'000	\$'000
Foreign Exchange Translation Gain	7	7
Profit Guarantee Received/Receivable from Vendors/Shareholders	195	262
Enhanced Special Employment Credit / Wage Credit Scheme / PIC	48	69
Gain on Deem Disposal of Associate	123	-
Write Back of Overprovision – Other Receivables	273	-
Plant & Equipment Written Off	(26)	-
	620	338



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

	Group		Company	
	As at		As at	
	31/3/2018	31/12/2017	31/3/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	20,060	20,329	368	343
Investment in Subsidiaries	-	-	77,857	77,857
Investment in Associates	76,155	74,281	32,692	32,692
Intangible Assets	53,413	53,453	-	-
Other Receivables	1,437	1,438	1,356	1,356
Other Assets	8,146	8,225	132	161
Total Non-Current Assets	159,211	157,726	112,405	112,409
<u>Current Assets</u>				
Inventories	6,237	6,468	-	-
Trade and Other Receivables	16,328	15,600	48,496	51,785
Other Assets	3,913	3,197	1,645	770
Cash and Cash Equivalents	38,378	37,040	15,308	10,458
Total Current Assets	64,856	62,305	65,449	63,013
Total Assets	224,067	220,031	177,854	175,422
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	86,758	86,758	86,758	86,758
Treasury Shares	(6,883)	(6,835)	(6,883)	(6,835)
Retained Earnings	38,896	34,591	12,294	11,567
Other Reserves, Total	(940)	(1,605)	-	-
Equity Attributable to Owners of the Parent, Total	117,831	112,909	92,169	91,490
Non-Controlling Interests	952	958	-	-
Total Equity	118,783	113,867	92,169	91,490
<u>Non-Current Liabilities</u>				
Provisions	633	643	-	-
Deferred Tax Liabilities	1,108	1,120	-	-
Other Financial Liabilities	86,338	26,389	75,000	15,000
Total Non-Current Liabilities	88,079	28,152	75,000	15,000
<u>Current Liabilities</u>				
Trade and Other Payables	16,856	17,540	10,685	8,982
Other Financial Liabilities	349	60,472	-	59,950
Total Current Liabilities	17,205	78,012	10,685	68,932
Total Liabilities	105,284	106,164	85,685	83,932
Total Equity and Liabilities	224,067	220,031	177,854	175,422



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

	<u>As at 31/3/2018</u> \$'000	<u>As at 31/12/2017</u> \$'000
<u>Bank Loan</u>		
Amount repayable within one year	263	262
Amount repayable after one year	79,021	19,072

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

	<u>As at 31/3/2018</u> \$'000	<u>As at 31/12/2017</u> \$'000
<u>Medium Term Note</u>		
Amount repayable within one year	-	59,950
Amount repayable after one year	-	-

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. The MTN have been repaid on 19 March 2018.

	<u>As at 31/3/2018</u> \$'000	<u>As at 31/12/2017</u> \$'000
<u>Finance Leases</u>		
Amount repayable within one year	2	2
Amount repayable after one year	2	2

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

	<u>As at 31/3/2018</u> \$'000	<u>As at 31/12/2017</u> \$'000
<u>Bills Payable</u>		
Amount repayable within one year	84	258
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, negative pledge and fixed deposit of the subsidiary.

	<u>As at 31/3/2018</u> \$'000	<u>As at 31/12/2017</u> \$'000
<u>Preference Shares</u>		
Amount repayable within one year	-	-
Amount repayable after one year	7,315	7,315

Preference shares issued on 23 December 2016 to Q & M Professionals Holding Pte. Ltd. and preference shares issued to All Win Investment Holdings Pte. Ltd., Full Win Investment Holdings Pte. Ltd. and Initial Capital Investment Pte. Ltd. on 15 November 2017 by Q & M Aidite International 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	
	3 Months ended	
	31/3/2018	31/3/2017
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	4,504	4,199
Adjustments For:		
Interest Income	(58)	(38)
Interest Expense	733	816
Depreciation of Property, Plant and Equipment and Amortisation Expenses	772	922
Share of Profit from Equity – Associated Associates	(1,276)	(502)
Foreign Currency Translation Reserve	117	(337)
Gain on Deem Disposal of Associate	(123)	-
Write Back of Over Provision – Other Receivables	(273)	-
Provisions	(10)	25
Plant & Equipment Written Off	26	-
Operating Cash Flows Before Changes in Working Capital	4,412	5,085
Inventories	231	116
Trade and Other Receivables	(482)	423
Other Assets	(429)	(1,217)
Trade and Other Payables	(684)	(2,903)
Net Cash Flows From Operations Before Interest and Tax	3,048	1,504
Income Taxes Paid	(23)	(112)
Net Cash Flows From Operating Activities	3,025	1,392
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Plant and Equipment	(431)	(1,069)
Sale Proceeds from Disposal of Plant and Equipment	36	13
Trade and Other Receivables	7	60
Net Movement in Amount Due to Shareholders of Subsidiaries	-	(451)
Other Assets	(208)	96
Other Receivables, Non-Current	-	1
Interest Received	58	38
Deferred Consideration for Earlier Acquisition	-	(336)
Proceeds From Disposal of Interest in Subsidiary	-	5,100
Contribution by Non-Controlling Interest	-	1,157
Acquisition of Remaining Interest in Subsidiaries	-	(1,050)
Net Cash Flows (Used in)/From Investing Activities	(538)	3,559
<u>Cash Flows From Financing Activities</u>		
Finance Lease Repayments	-	(10)
Bills Payable	(174)	(109)
Proceeds from Term Loan	60,000	-
Share Buy Back Exercise	(48)	-
Repayment of Bank Loans	-	(56)
Repayment of MTN	(60,000)	-
Dividend Paid	(194)	-
Interest Paid	(733)	(816)
Net Cash Flows Used in Financing Activities	(1,149)	(991)
Net Increase in Cash and Cash Equivalents	1,338	3,960
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the period	37,040	44,091
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the period	38,378	48,051
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	38,378	48,051
Cash and Cash Equivalents at End of Period	38,378	48,051



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 2018	113,867	112,909	86,758	34,591	(6,835)	(1,605)	958
Movements in Equity:							
Total Comprehensive Income for the year	5,158	5,164	-	4,499	-	665	(6)
Share Buy Back	(48)	(48)	-	-	(48)	-	-
Dividends Paid	(194)	(194)	-	(194)	-	-	-
Closing Balance at 31 March 2018	118,783	117,831	86,758	38,896	(6,883)	(940)	952
Group - Previous 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	3,330	3,469	-	3,841	-	(372)	(139)
Issue of Share Capital	-	-	(336)	-	336	-	-
Decrease in Non-Controlling Interests Without a Change in Control	(141)	1,162	-	-	-	1,162	(1,303)
Closing Balance at 31 March 2017	125,232	119,314	86,422	38,915	(5,459)	(564)	5,918



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	\$'000
Company - Current year					
Opening Balance at 1 January 2018	91,490	86,758	(6,835)	-	11,567
Movements in Equity:					
Total Comprehensive Income for the year	727	-	-	-	727
Share Buy Back	(48)	-	(48)	-	-
Closing Balance at 31 March 2018	<u>92,169</u>	<u>86,758</u>	<u>(6,883)</u>	<u>-</u>	<u>12,294</u>
Company - Previous year					
Opening Balance at 1 January 2017	87,997	86,758	(5,795)	-	7,034
Movements in Equity:					
Total Comprehensive Income for the year	800	-	-	-	800
Issue of Share Capital	-	(336)	336	-	-
Closing Balance at 31 March 2017	<u>88,797</u>	<u>86,422</u>	<u>(5,459)</u>	<u>-</u>	<u>7,834</u>



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

Ordinary shares

	<u>Number of Shares</u> '000	<u>Share Capital</u> \$'000
At 1 Jan 2018	<u>794,868</u>	<u>79,923</u>
At 31 Mar 2018	<u><u>794,820</u></u>	<u><u>79,875</u></u>

Employee Share Option

During the period ended 31 March 2018, no share options were issued or exercised. No share options outstanding as at 31 March 2018 (31 March 2017: NIL).

Treasury Shares

During the period ended 31 March 2018, the Company has bought back 48,000 shares by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 10,067,579 treasury shares as at 31 March 2018 (31 March 2017: 7,857,134).

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

	<u>As at 31/3/2018</u>	<u>As at 31/12/2017</u>
Total number of issued shares excluding treasury shares	<u><u>794,820,221</u></u>	<u><u>794,868,221</u></u>

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of current financial period reported on except for 48,000 number of treasury shares of \$29k 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 2017.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to SFRS(I) ("SFRS(I) INT") 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 SFRS(I) and SFRS(I) INT 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 3 Months ended	
	31/3/2018	31/3/2017
(i) Basic earnings per share (cents)	0.57	0.48
(ii) On a fully diluted basis (cents)	0.57	0.48

The basic EPS for the period ended 31 March 2018 and 31 March 2017 are based on the profit attributable to equity holders of parent, net of tax and the weighted average number of ordinary shares of 795,878,869 shares and 796,267,516 shares respectively.

There is no dilutive effect on the EPS for the period ended 31 March 2018 and 31 March 2017.

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:-

- a) current financial period reported on; and
- b) immediately preceding financial year.

	Group As at		Company As at	
	<u>31/3/2018</u>	<u>31/12/2017</u>	<u>31/3/2018</u>	<u>31/12/2017</u>
Net asset value per ordinary share (cents)	14.8	14.2	11.6	11.5

The net asset value per ordinary share of the Group and the Company as at 31 March 2018 has been calculated based on the total issued number of ordinary shares of 794,820,221 (2017: 794,868,221).



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:
- a) 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
 - b) 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 contribution from dental and medical clinics excluding Aoxin increased 4% from \$25.6 million for the 3 months ended 31 March 2017 ("1Q17") to \$26.7 million for the 3 months ended 31 March 2018 ("1Q18"). Total revenue from dental and medical clinics decreased by 8% from \$28.9 million for 1Q17 to \$26.7 million for 1Q18 mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by higher revenue from dental outlets in Singapore and Malaysia in 1Q18.

As at 31 March 2018, the Group has a total of 69 dental outlets and 4 medical outlets in operations, compared to 71 dental outlets, 4 medical outlets, 1 aesthetic centre as at 31 March 2017 in Singapore.

As at 31 March 2018, the Group has a total of 14 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 7 dental outlets in Malaysia and 4 dental hospitals and 8 dental outlets as at 31 March 2017 in PRC.

Revenue contribution from the dental equipment and supplies distribution business excluding Aoxin increased 20% from \$1.6 million in 1Q17 to \$2.0 million in 1Q18. Total revenue contribution from the dental equipment and supplies distribution business decreased 35% from \$3.1 million in 1Q17 to \$2.0 million in 1Q18. The decrease was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by higher revenue from dental equipment and supplies distribution companies in Singapore and Malaysia in 1Q18.

Other Gains / (Losses)

Other gains / (losses) in 1Q18 amounted to \$0.6 million compared to \$0.3 million in 1Q17. The increase was mainly due to gain on deem disposal of associate and write back of overprovision on other receivables.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used in dental and medical clinics increased 13% from \$1.8 million in 1Q17 to \$2.0 million in 1Q18. The increase was mainly due to a change in accounting treatment in 1Q17 for small dental instruments which are now inventorised. This resulted in lower cost of consumables and supplies used in 1Q17.

As a percentage of revenue from the dental and medical outlets, consumables and dental supplies used in the dental and medical outlets in 1Q18 were 7.5% compared to 6.2% in 1Q17.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business decreased 37% from \$2.3 million in 1Q17 to \$1.4 million in 1Q18. 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 1Q18 was 72.4% compared to 74.0% in 1Q17.

Employee Benefits Expense

Employee benefits expense decreased 6% from \$17.5 million in 1Q17 to \$16.5 million in 1Q18. The decrease of \$1.0 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 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 1Q18 was 57.5% compared to 54.7% in 1Q17.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased 16% from \$0.9 million in 1Q17 to \$0.8 million in 1Q18. The decrease of \$0.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

As a percentage of revenue, depreciation expense in 1Q18 was 2.7% compared to 2.9% in 1Q17.

Rental Expense

Rental expense decreased 3% from \$3.3 million in 1Q17 to \$3.2 million in 1Q18. The decrease of \$0.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

As a percentage of revenue, rental expense in 1Q18 was 11.1% compared to 10.2% in 1Q17.

Other Expenses

Other expenses decreased 28% from \$2.1 million in 1Q17 to \$1.5 million in 1Q18. The decrease was mainly due the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

As a percentage of revenue, other expenses in 1Q18 was 5.3% compared to 6.6% in 1Q17.

Share of Profit from Equity-Accounted Associates

Share of profit from equity-accounted associates increased 154% from \$0.5 million in 1Q17 to \$1.3 million in 1Q18. The increase of \$0.8 million was mainly due to higher share of profit from Aidite and the share of profit arising from the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

Profit Before Tax and Profit After Tax

For the reasons given above, the Group's profit before tax increased 7% from \$4.2 million in 1Q17 to \$4.5 million in 1Q18.

Profit after tax attributable to owners of the parent increased 17% from \$3.8 million in 1Q17 to \$4.5 million in 1Q18.

After excluding other gains / (losses) and loss attributable to non-controlling interests, profit attributable to owners of the parent increased 11% from \$3.5 million in 1Q17 to \$3.9 million in 1Q18.

Statement of Financial Position

As at 31 March 2017, the Group has cash and cash equivalents of \$38.4 million, bank borrowings plus finance leases amounted to \$86.7 million.



Current Assets

Cash and cash equivalents as at 31 March 2018 increased to \$38.4 million from \$37.0 million as at 31 December 2017. The increase of \$1.4 million was mainly due to net cash generated from operations.

Other assets as at 31 March 2018 increased to \$3.9 million from \$3.2 million as at 31 December 2017. The increase of \$0.7 million was mainly due to an increase in sign on bonus and prepayment for upgrading of computer systems.

Current Liabilities

Trade and other payables as at 31 March 2018 decreased to \$16.9 million from \$17.5 million as at 31 December 2017. The decrease of \$0.6 million was mainly due to payment of accrued expenses as at 31 December 2017.

Other financial liabilities as at 31 March 2018 decreased to \$0.3 million from \$60.5 million as at 31 December 2017. The decrease of \$60.2 million was mainly due to repayment of the MTN on 19 March 2018.

Non-Current Liabilities

Other financial liabilities as at 31 March 2018 increased to \$86.3 million from \$26.4 million as at 31 December 2017. The increase of \$59.9 million was mainly due to a draw down of \$60.0 million of bank facility in March 2018 to repay the MTN matured on 19 March 2018.

Statement of Cash Flows

The Group generated net cash flow from operating activities was \$3.0 million in 1Q18. This was mainly derived from the profit generated in 1Q18.

Net cash used in investing activities in 1Q18 amounted to \$0.5 million, mainly due to purchase of plant and equipment for the existing clinics and opening of new dental clinic.

Net cash used in financing activities in 1Q18 was \$1.2 million, which arose mainly due to interest payment and dividend paid.

Consequent to the above factors, the Group's cash and cash equivalents was \$38.4 million as at 31 March 2018.

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

- Repayment of Medium Term Notes

On 19 March 2018, the Company has fully paid its \$60.0 million 4.40 per cent. Notes comprising Series 1 Notes pursuant to the \$200.0 million Multicurrency Medium Term Note Programme.

- Cessation of Interest in the Proposed Acquisition of Shenzhen Superline Technology Co., Ltd.

On 9 May 2018, the Company announced the cessation of interest in the proposed acquisition of an equity interest of 20% in Shenzhen Superline Technology Co., Ltd..

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. The Group intends to add at least 10 dental clinics in Singapore for 2018. 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 intends to add 10 dental clinics in Malaysia for 2018. The eventual number of dental clinics will depend on opportunities and market conditions.

- 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, Malaysia and PRC.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None



(b) Corresponding Period of the Immediately preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the first quarter ended 31 March 2018.

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

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

14. Confirmation pursuant to Rule 705 (5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Group and the Company for the period ended 31 March 2018 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720 (1) of the Listing Manual

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

BY ORDER OF THE BOARD

Dr Ng Chin Siau
Group Chief Executive Officer
14 May 2018