



Full Year Financial Statement Announcement And Dividend Announcement For The Year Ended 31 December 2018

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 2018

	Note	Group		Change %
		12 Months ended 31/12/2018 \$'000	12 Months ended 31/12/2017 \$'000	
Revenue				
Dental and Medical Clinics Excluding Aoxin		111,666	108,664	3
Dental Equipment & Supplies Distribution Excluding Aoxin		8,221	8,623	(5)
Sub Total		119,887	117,287	2
Dental Clinics – Aoxin		-	4,145	NM
Dental Equipment & Supplies Distribution – Aoxin		-	2,060	NM
Sub Total		119,887	123,492	(3)
Other Items of Income				
Interest Income		111	173	(36)
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(8,501)	(8,092)	5
Cost of Sales - Dental Equipment & Supplies Distribution		(5,835)	(7,405)	(21)
Employee Benefits Expense		(70,580)	(69,759)	1
Depreciation and Amortisation Expense		(3,205)	(3,254)	(2)
Rental Expense		(12,866)	(12,798)	1
Other Expenses		(7,464)	(9,405)	(21)
Finance Costs		(2,635)	(3,243)	(19)
Other Gains – Net	1(a)(i)	1,321	10,753	(88)
Share of Profit from Equity-Accounted Associates		4,948	3,950	25
Profit Before Tax from Continuing Operations		15,181	24,412	(38)
Income Tax Expense		(760)	(739)	3
Profit From Continuing Operations, Net of Tax		14,421	23,673	(39)
Excluding Other Gains		(1,321)	(10,753)	(88)
Profit Excluding Other Gains		13,100	12,920	1
Other Comprehensive Loss:				
Exchange Differences on Translating Foreign Operations, Net of Tax		(1,051)	(334)	215
Other Comprehensive Loss for the Year, Net of Tax		(1,051)	(334)	215
Total Comprehensive Income for the Year		13,370	23,339	(43)
Profit / (Loss) attributable to:				
Owners of the Parent, Net of Tax		14,348	23,869	(40)
Non-Controlling Interests, Net of Tax		73	(196)	NM
Profit Net of Tax		14,421	23,673	(39)
Profit / (Loss) Excluding Other Gains attributable to:				
Owners of the Parent, Net of Tax		13,027	13,116	(1)
Non-Controlling Interests, Net of Tax		73	(196)	NM
Profit Net of Tax		13,100	12,920	1
Total Comprehensive Income / (Loss) attributable to:				
Owners of the Parent		13,269	23,595	(44)
Non-Controlling Interests		101	(256)	NM
Total Comprehensive Income		13,370	23,339	(43)

NM: Not Meaningful



Notes:

1(a)(i) Other Gains – Net

	12 Months ended	
	31/12/2018	31/12/2017
	\$'000	\$'000
Gain on Disposal of Plant & Equipment	3	13
Plant & Equipment Written Off	(180)	(100)
Foreign Exchange Translation Loss	(10)	(7)
Profit Guarantee Received / Receivable from Vendors / Shareholders	921	604
Gain on Deemed Disposal of Associate	125	-
Gain on Disposal of Subsidiaries	-	17,392
Provision for Impairment on Goodwill and Intangible Assets	-	(1,611)
Provision - Asset Held for Sale	-	(1,584)
Provision - Other Receivables	266	(1,216) ^(a)
Provision - Trade Receivables	-	(77)
Impairment of Plant & Equipment	-	(167)
Impairment of Inventory	-	(97)
Professional Fees and Expenses in Relation to the Spin-Off of Aoxin and Aidite	-	(2,350)
Enhanced Special Employment Credit and Wage Credit Scheme / PIC	196	(47)
	1,321	10,753

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	19,497	20,329	512	343
Investment in Subsidiaries	-	-	77,526	77,857
Investment in Associates	77,780	74,281	32,468	32,692
Intangible Assets	53,329	53,453	-	-
Other Receivables	1,062	1,438	980	1,356
Other Assets	10,933	8,225	-	161
Total Non-Current Assets	162,601	157,726	111,486	112,409
<u>Current Assets</u>				
Inventories	6,945	6,468	-	-
Trade and Other Receivables	16,652	15,600	46,079	51,785
Other Assets	3,366	3,197	702	770
Cash and Cash Equivalents	24,924	37,040	2,653	10,458
Total Current Assets	51,887	62,305	49,434	63,013
Total Assets	214,488	220,031	160,920	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	(11,558)	(6,835)	(11,558)	(6,835)
Retained Earnings	38,471	34,591	3,317	11,567
Other Reserves, Total	(2,684)	(1,605)	-	-
Equity Attributable to Owners of the Parent, Total	110,987	112,909	78,517	91,490
Non-Controlling Interests	1,035	958	-	-
Total Equity	112,022	113,867	78,517	91,490
<u>Non-Current Liabilities</u>				
Provisions	638	643	-	-
Deferred Tax Liabilities	1,072	1,120	-	-
Other Financial Liabilities	86,185	26,389	75,000	15,000
Total Non-Current Liabilities	87,895	28,152	75,000	15,000
<u>Current Liabilities</u>				
Income Tax Payable	110	-	84	-
Trade and Other Payables	14,018	17,540	7,319	8,982
Other Financial Liabilities	443	60,472	-	59,950
Total Current Liabilities	14,571	78,012	7,403	68,932
Total Liabilities	102,466	106,164	82,403	83,932
Total Equity and Liabilities	214,488	220,031	160,920	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 31/12/2018</u>	<u>As at 31/12/2017</u>
	\$'000	\$'000
<u>Bank Loans</u>		
Amount repayable within one year	263	262
Amount repayable after one year	78,870	19,072

Bank loans amounting to \$4.1 million are secured by legal mortgage of the Group's Properties and covered by corporate guarantee from the Company.

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

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 has been repaid on 19 March 2018.

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

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

	<u>As at 31/12/2018</u>	<u>As at 31/12/2017</u>
	\$'000	\$'000
<u>Bills Payable</u>		
Amount repayable within one year	178	258

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

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

Preference shares issued on 23 December 2016 to Q & M Professionals Holding Pte. Ltd. and Dr Cheah Kim Fee 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	
	12 Months ended	
	31/12/2018	31/12/2017
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	15,181	24,412
Adjustments for:		
Interest Income	(111)	(173)
Interest Expense	2,635	3,243
Gain on Disposal of Subsidiary	-	(17,392)
Gain on Deem Disposal of Associate	(125)	-
Depreciation and Amortisation Expenses	3,205	3,254
Foreign Currency Translation Reserve	(13)	349
Gain on Disposal of Plant and Equipment	(3)	(13)
Impairment of Plant and Equipment	-	167
Provision for Impairment on Goodwill and Intangible Assets	-	1,611
Provision for Impairment on Asset Held for Sale	-	1,584
Provisions	(5)	76
Plant and Equipment Written Off	180	100
Share of Profit from Equity – Accounted Associates	(4,948)	(3,950)
Operating Cash Flows Before Changes in Working Capital	15,996	13,268
Inventories	(467)	(577)
Trade and Other Receivables	(981)	431
Other Assets	99	293
Trade and Other Payables	(1,164)	2,806
Net Cash Flows From Operations Activities Before Interest and Tax	13,483	16,221
Income Taxes Paid	(444)	(507)
Net Cash Flows From Operating Activities	13,039	15,714
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Plant and Equipment	(2,694)	(4,862)
Deconsolidation of Subsidiary (Net of Cash Disposed)	-	(8,281)
Disposal of Plant and Equipment	405	564
Other Assets	(2,977)	52
Trade and Other Receivables	(315)	182
Disposal of Subsidiary (Net of Cash Disposed)	-	242
Proceeds From Issuance of Redeemable Preference Shares	-	5,358
Proceeds From Disposal of Interest in Associate	-	1,941
Other Receivables, Non-Current	376	(1,149)
Acquisition of Subsidiaries (Net of Cash Acquired)	(173)	(383)
Acquisition of Remaining interest in Subsidiaries	-	(1,250)
Dividend from Associate	327	-
Interest Received	111	173
Net Cash Flows Used in Investing Activities	(4,940)	(7,413)



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

	Group	
	12 Months ended	
	31/12/2018	31/12/2017
	\$'000	\$'000
<u>Cash Flows Used in Financing Activities</u>		
Contribution by Non-Controlling Interest	-	1,157
Finance Lease Repayments	(3)	(11)
Share Buy Back Exercise	(4,723)	(1,461)
Proceed from Term Loans	60,000	-
Bill Payables	184	13
Repayment of MTN	(60,000)	-
Repayment of Bank Loans	(415)	(205)
Interest Paid	(2,635)	(3,243)
Net Movement in Amount Due from Shareholders/Vendors of Subsidiaries	-	(451)
Net Movement in Amount Due from Shareholders of Associate	(2,131)	-
Dividends Paid to Non-Controlling Interest	(24)	-
Dividends Paid to Equity Owners	(10,468)	(11,151)
Net Cash Flows Used in Financing Activities	(20,215)	(15,352)
Net Decrease in Cash and Cash Equivalents in Continuing operations	(12,116)	(7,051)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Year	37,040	44,091
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Year	24,924	37,040
Cash and Cash Equivalents at End of Year includes the following:		
Cash and Bank Balances	24,924	37,040
Cash and Cash Equivalents at End of Year	24,924	37,040



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	13,370	13,269	-	14,348	-	(1,079)	101
Share Buy Back	(4,723)	(4,723)	-	-	(4,723)	-	-
Dividends Paid	(10,492)	(10,468)	-	(10,468)	-	-	(24)
Closing Balance at 31 December 2018	112,022	110,987	86,758	38,471	(11,558)	(2,684)	1,035
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	23,339	23,595	-	23,869	-	(274)	(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	113,867	112,909	86,758	34,591	(6,835)	(1,605)	958



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 2018	91,490	86,758	(6,835)	-	11,567
Movements in Equity:					
Total Comprehensive Income for the year	2,218	-	-	-	2,218
Share Buy Back	(4,723)	-	(4,723)	-	-
Dividends Paid	(10,468)	-	-	-	(10,468)
Closing Balance at 31 December 2018	<u>78,517</u>	<u>86,758</u>	<u>(11,558)</u>	<u>-</u>	<u>3,317</u>
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	<u>91,490</u>	<u>86,758</u>	<u>(6,835)</u>	<u>-</u>	<u>11,567</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>	<u>Share Capital</u>
	'000	\$'000
At 1 Jan 2018	<u>794,868</u>	<u>79,923</u>
At 31 Dec 2018	<u>785,622</u>	<u>75,200</u>

Employee Share Option

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

Treasury Shares

During the year ended 31 December 2018, the Company has bought back 9,246,300 shares by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 19,265,879 treasury shares as at 31 December 2018 (31 December 2017: 10,019,579).

- 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 31/12/2018	As at 31/12/2017
Total number of issued shares excluding treasury shares	<u>785,621,921</u>	<u>794,868,221</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 9,246,300 number of treasury shares of \$4.7 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 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 12 Months ended	
	31/12/2018	31/12/2017
(i) Basic earnings per share (cents)	1.82	3.00
(ii) On a fully diluted basis (cents)	1.82	3.00

The basic EPS for the year ended 31 December 2018 and 31 December 2017 are based on the profit attributable to equity holders of parent, net of tax and the weighted average number of ordinary shares of 790,441,270 shares and 796,345,656 shares respectively.

There is no dilutive effect on the EPS for the period ended 31 December 2018 and 31 December 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per ordinary share (cents)	14.1	14.2	10.0	11.5

The net asset value per ordinary share of the Group and the Company as at 31 December 2018 and 31 December 2017 have been calculated based on the total issued number of ordinary shares excluding treasury shares of 785,621,921 (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 from dental and medical clinics excluding Aoxin increased 3% from \$108.7 million for the 12 months ended 31 December 2017 ("FY17") to \$111.7 million for the 12 months ended 31 December 2018 ("FY18"). The increase of \$3.0 million was mainly due to higher revenue from existing and new dental outlets in Singapore and Malaysia.

As at 31 December 2018, the Group has a total of 73 dental outlets and 4 medical outlets in operations, compared to 70 dental outlets and 4 medical outlets as at 31 December 2017 in Singapore.

As at 31 December 2018, the Group has a total of 17 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 14 dental outlets in Malaysia and 1 dental outlet in PRC as at 31 December 2017.

Revenue contribution from the dental equipment and supplies distribution business excluding Aoxin decreased 5% from \$8.6 million in FY17 to \$8.2 million in FY18. The decrease of \$0.4 million was mainly due to lower revenue from the dental equipment and supplies distribution company in Singapore.

Other Gains – Net

Other gains - net in FY18 amounted to \$1.3 million compared to \$10.8 million in FY17. The decrease was mainly due to a one-time gain of \$17.4 million from the spin-off of Aoxin from a subsidiary to an associate in April 2017 by listing it on the Singapore Stock Exchange Catalyst Board.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used increased 5% from \$8.1 million in FY17 to \$8.5 million in FY18. The increase was in line with the increase in revenue and new dental clinics opened in FY18.

As a percentage of revenue from the dental and medical clinics, consumables and dental supplies used in the dental and medical outlets in FY18 was 7.6% compared to 7.2% in FY17.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business decreased 21% from \$7.4 million in FY17 to \$5.8 million in FY18. The decrease was mainly due to the decrease in revenue of the dental equipment and supplies distribution company in Singapore in FY18 and 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 FY18 was 71.0% compared to 69.3% in FY17.



Depreciation and Amortisation Expenses

Depreciation and amortisation expenses decreased 2% from \$3.3 million in FY17 to \$3.2 million in FY18. The decrease of \$0.1 million was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017 offset by purchase of dental equipment, furniture, fixtures and fittings for existing and new dental outlets in Singapore and Malaysia.

As a percentage of revenue, depreciation and amortisation expenses in FY18 was 2.7% compared to 2.6% in FY17.

Finance Costs

Finance costs decreased 19% from \$3.2 million in FY17 to \$2.6 million in FY18. The decrease was mainly due to the repayment of the MTN on 19 March 2018 using bank loans. The interest on bank loans is lower than the MTN interest.

Other Expenses

Other expenses decreased 21% from \$9.4 million in FY17 to \$7.5 million in FY18. The decrease of \$1.9 million was mainly due to reduced legal and professional fees for Singapore and Malaysia and the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

As a percentage of revenue, other expenses in FY18 was 6.2% compared to 7.6% in FY17.

Share of Profit from Equity-Accounted Associates

Share of profit from equity-accounted associates increased 25% from \$4.0 million in FY17 to \$4.9 million in FY18. The increase of \$0.9 million was mainly due to higher share of profit from Aidite.

Profit Before Tax and Net Profit

For the reasons given above, the Group's profit before tax decreased 38% from \$24.4 million in FY17 to \$15.2 million in FY18.

After deducting income tax of \$0.8 million and excluding other gains - net, the Group's net profit increased by 1% from \$12.9 million in FY17 to \$13.1 million in FY18.

Statement of Financial Position

As at 31 December 2018, the Group has cash and cash equivalents of \$24.9 million, bank borrowings plus finance leases amounted to \$86.6 million.

Current Assets

Cash and cash equivalents as at 31 December 2018 decreased to \$24.9 million from \$37.0 million as at 31 December 2017. The decrease of \$12.1 million was mainly due to share buyback of \$4.7 million, dividends paid to equity owners of \$10.5 million offset by net cash generated from operations.

Trade and other receivables as at 31 December 2018 increased to \$16.7 million from \$15.6 million as at 31 December 2017. The increase of \$1.1 million was mainly due to increase in revenue from the dental equipment and supplies distribution business in Malaysia and profit guarantee receivables from vendors of the subsidiaries.

Other assets as at 31 December 2018 increased to \$3.4 million from \$3.2 million as at 31 December 2017. The increase of \$0.2 million was mainly due to increase in sign on bonuses for dentists.



Non-Current Assets

The net book value of property, plant and equipment as at 31 December 2018 decreased to \$19.5 million from \$20.3 million as at 31 December 2017. The decrease of \$0.8 million was mainly due to depreciation of plant and equipment.

Investment in associates as at 31 December 2018 increased to \$77.8 million from \$74.3 million as at 31 December 2017. The increase of \$3.5 million was mainly due to the share of profit from equity-accounting associate, Aidite.

Other Assets as at 31 December 2018 increased to \$10.9 million from \$8.2 million as at 31 December 2017. The increase of \$2.7 million was mainly due to the increase in sign on bonuses for dentists.

Current Liabilities

Trade and other payables as at 31 December 2018 decreased to \$14.0 million from \$17.5 million as at 31 December 2017. The decrease of \$3.5 million was mainly due to the settlement of \$2.1 million amount due to shareholders of associate and the settlement of accrued MTN interest on 19 March 2018.

Other financial liabilities as at 31 December 2018 decreased to \$0.4 million from \$60.5 million as at 31 December 2017. The decrease of \$60.1 million was mainly due to repayment of MTN on 19 March 2018.

Non-Current Liabilities

Other financial liabilities as at 31 December 2018 increased to \$86.2 million from \$26.4 million as at 31 December 2017. The increase of \$59.8 million was mainly due to a draw down of \$60.0 million bank facilities in March 2018 to repay the MTN which matured on 19 March 2018.

Statement of Cash Flows

The Group generated net cash flow from operating activities of \$13.0 million in FY18. This was mainly derived from the profit generated in FY18.

Net cash used in investing activities in FY18 amounted to \$4.9 million, mainly due to sign on bonuses and purchase of plant and equipment for the existing clinics and opening of new dental clinics.

Net cash used in financing activities in FY18 was \$20.2 million mainly due to share buyback, interest payment and dividends paid to equity owners of \$10.5 million.

Consequent to the above factors, the Group's cash and cash equivalents was \$24.9 million as at 31 December 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.



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

- Update on the Company's Singapore Operations

The Company has opened a dental clinic in The Poiz Centre in February 2019. The Company has also secured a location in Paya Lebar and it is expected to commence operations around the third quarter of 2019.

- Update on the Company's Malaysia Operations

The Company has opened a dental clinic in Sri Petaling in November 2018 and a dental clinic in Kepong in January 2019. The Company has also signed rental agreements to open 8 new clinics in 2019.

- Update on Discovery of Improprieties in the Company's Malaysian Subsidiaries in Johor Bahru, Malaysia

On 14 November 2018, the Company had obtained various court orders in its favour against Dr. Matthew Hong An Liang and Mdm Chong Lee Lee, who are the parties that it considers liable.

- Update on the Proposed Delisting of Aidite (Qinhuangdao) Technology Co. Ltd from National Equities Exchange and Quotations

On 14 November 2018, the Company announced that Aidite had on 9 November 2018 received a letter from the New Third Board approving the delisting of Aidite from the New Third Board from 2 November 2018.

- Incorporation of QMAI Pte. Ltd.

On 12 November 2018, the Company announced the incorporation of a wholly-owned subsidiary in Singapore named QMAI Pte. Ltd. with an initial issued and paid-up share capital of \$0.1 million comprising 100,000 ordinary shares. The principle activities of QMAI are development of dental healthcare software and equipment. It also acts as an investment holding company.

- Incorporation of Q & M College of Dentistry Pte. Ltd.

On 17 December 2018, the Company announced the incorporation of a wholly-owned subsidiary in Singapore named Q & M College of Dentistry Pte. Ltd. ("QMCD") with an initial issued and paid-up share capital of \$0.1 million comprising 100,000 ordinary shares. The principle activities of QMCD are to offer higher education programmes and provide other education training programmes.



Future Plans

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

- Expansion of network of 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 operation in Singapore. 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

The Group is closely monitoring the Malaysian economy with a view of further expansion in Malaysia. 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 is actively working on opportunities to acquire large 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, Southeast Asia and PRC.

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)	0.4 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



- (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)	0.7 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

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

The Directors are pleased to recommend a final dividend of 0.42 cents per share in respect of the financial year ended 31 December 2018 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 24 May 2019.

- (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 at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 10 May 2019 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 9 May 2019 will be registered to determine members' entitlements to the final dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 9 May 2019 will be entitled to the payment of the final dividend.

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

Not applicable.



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

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

The Group has two 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.

	2018	2017
	\$'000	\$'000
Segment Revenue		
Primary Healthcare	111,666	112,809
Dental Equipment & Supplies Distribution	8,221	10,683
Total Revenue	<u>119,887</u>	<u>123,492</u>

Segment Result		
Primary Healthcare	10,257	9,996
Dental Equipment & Supplies Distribution	(415)	(165)
Gain on Deemed Disposal of Associate	125	-
Gain on Disposal of Subsidiary	-	17,392
Professional Fees and Expenses in Relation to the Spin-Off of Aidite and Aoxin	-	(2,350)
Provision for Impairment on Asset Held for Sale	-	(1,584)
Provision for Impairment on Goodwill	-	(1,611)
Provision for Impairment on Other Receivables	266	(1,216)
Share of Profit from Equity-Accounted Associates	4,948	3,950
Profit Before Income Tax	<u>15,181</u>	<u>24,412</u>
Income Tax Expense	(760)	(739)
Profit for the year	<u>14,421</u>	<u>23,673</u>

Segment Asset		
Primary Healthcare	129,984	138,394
Dental Equipment & Supplies Distribution	6,724	7,356
Unallocated – Investment in associates	77,780	74,281
Total Group Assets	<u>214,488</u>	<u>220,031</u>

Segment Liability		
Primary Healthcare	100,812	103,614
Dental Equipment & Supplies Distribution	1,654	2,550
Total	<u>102,466</u>	<u>106,164</u>

Impairment of Assets		
Primary Healthcare	(266)	4,452
Dental Equipment & Supplies Distribution	-	300
Total	<u>(266)</u>	<u>4,752</u>



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

	2018	2017
	\$'000	\$'000
Capital Expenditure		
Primary Healthcare	2,853	5,134
Dental Equipment & Supplies Distribution	4	177
Total	<u>2,857</u>	<u>5,311</u>
Depreciation		
Primary Healthcare	2,898	3,000
Dental Equipment & Supplies Distribution	42	51
Total	<u>2,940</u>	<u>3,051</u>
Amortisation		
Primary Healthcare	265	203
Dental Equipment & Supplies Distribution	-	-
Total	<u>265</u>	<u>203</u>
Finance Cost		
Primary Healthcare	2,635	3,243
Dental Equipment & Supplies Distribution	-	-
Total	<u>2,635</u>	<u>3,243</u>

Geographical segments

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

	2018	2017
	\$'000	\$'000
Segment Revenue		
Singapore	110,332	108,968
Malaysia	8,071	6,745
China	1,484	7,779
Total	<u>119,887</u>	<u>123,492</u>
Segment Asset – Non-Current		
Singapore	74,138	72,665
Malaysia	2,937	2,633
China	85,526	82,428
Total	<u>162,601</u>	<u>157,726</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 FY18 as compared to FY17 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 FY18 as compared to FY17 was mainly due to the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

Performance by geographical segment

The increase in the contribution to the Group's revenue from Singapore operations in FY18 as compared to FY17 was mainly due to higher contribution from the existing and acquired dental clinics in Singapore offset by lower contribution from the dental equipment and supplies distribution company in Singapore.

The increase in the contribution to the Group's revenue from Malaysia operations in FY18 as compared to FY17 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 FY18 as compared to FY17 was mainly due to the deconsolidation of Aoxin in April 2017. Aoxin is now an associate of the Group.

15. A breakdown of sales

		Group		
		2018	2017	Change
		\$'000	\$'000	%
15(a)	Revenue reported for first half	58,240	61,619	(5.5)
15(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	9,088	17,352	(47.6)
15(c)	Revenue reported for second half	61,647	61,873	(0.4)
15(d)	Operating profit after tax before deducting non-controlling interests reported for second half year.	5,333	6,321	(15.6)

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*	6,456	12,896
Preference	-	-
Total	6,456	12,896

*Total annual dividend for FY18 comprises recommended FY18 final dividend (from FY18H2 profit) of \$3.30 million, and \$3.16 million interim dividend paid in respect of FY18H1 profit.

* 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.

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 Jiu	50	Wife of Dr Ng Chin Siau, Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited (“QDGS”). Sister-in-law of Ng Sook Hwa, Group Financial Controller of QDGS.	General Manager (1999)	None
Ng Sook Hwa	47	Sister of Dr Ng Chin Siau, Group Chief Executive Officer of QDGS.	Group Financial Controller (June 2011)	None
San Yi Leong	41	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)	None

BY ORDER OF THE BOARD

Dr. Ng Chin Siau
Group Chief Executive Officer
28 February 2019