



**Q & M DENTAL GROUP (SINGAPORE) LIMITED**

(Company Registration Number 200800507R)

(Incorporated in the Republic of Singapore)

**ANNOUNCEMENT**

---

**UPDATE ON GROUP'S OPERATION DURING THE COVID-19 PANDEMIC**

---

**1. Impact of COVID-19**

The board of directors (the “**Board**” or “**Directors**”) of Q & M Dental Group (Singapore) Limited (“**Q & M**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to update shareholders in respect of the Group’s operations during this COVID-19 pandemic.

The COVID-19 outbreak has evolved into a global pandemic. Countries have been lockdown or placed under various degrees of lockdown.

Since the outbreak of COVID-19 in Singapore in Dec 2019, the Group has focussed on patient safety as our first priority. Our dentists and nurses are fully equipped with personnel protection equipment (“**PPE**”) and screening measures like temperature taking, declaration form and implemented other measures in accordance with government advisories and regulations to ensure patient safety at our dental outlets.

Singapore has been under Circuit Breaker (“**CB**”) from 7 April to 1 June 2020 to reduce movement and interaction of people to break the chain of community spread of the COVID-19.

In Singapore, our dental outlets are classified as essential services under primary care service and we have been carrying on with non-elective, urgent and emergency dental services.

In Malaysia, the nationwide restricted Movement Control Order (“**MCO**”) implemented by the Malaysia Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 on 18 March 2020 does not affect our clinics operation as it does not extend to the provision of essential services provided by the Group. Our Group’s dental clinics are still continuing with the treatment of non-elective, urgent and emergency dental services.

In People’s Republic of China, our associated companies operations were affected by the COVID-19 pandemic. Aoxin Q&M Dental Group Ltd. (“**Aoxin Q&M**”) has resumed all their operations from 26 March 2020 and Aidite (Qinhuangdao) Technology Co. Ltd. (“**Aidite**”) has resumed operation on 10 Feb 2020. On 12 May 2020 Aoxin Q&M has issued an update on the Group’s operation in relation to COVID-19 and is expecting to incur an operating loss for FY2020.

On 27 February 2020, in the FY2019 Announcement, the Group announced that with effect from financial year ending 31 December 2020 (“**FY2020**”), it will adopt half yearly announcements instead of quarterly announcements. Accordingly, for FY2020 the next financial result announcement will be for the half year ending 30 June 2020.

As a result of the escalating COVID-19 pandemic, we have on 11 April 2020 announced the postponement of the Annual General Meeting (“**AGM**”) which was scheduled to be held on 6 May 2020. In view of the various laws and regulations implemented by the Government including the additional round of safe distance measures from 7 April 2020 to 4 May 2020 as announced by the Government on 3 April 2020, the AGM will now be held on or before 29 June 2020.

We have on 15 April 2020 reclassified the proposed FY2019 special dividend of S\$0.02 per share and proposed FY2019 final dividend of S\$0.0042 per share to a second interim tax exempt (one tier) cash dividend of S\$0.0242 per share in respect of FY2019 which will be paid on 13 May 2020.

We have also on 23 April 2020 announced that we are investing S\$3.0 million in a joint venture to manufacture, sale and distribute COVID-19 diagnostic test kits in Singapore and overseas. It is also in the setting up a polymerase chain reaction (‘**PCR**’) laboratory in Singapore to analyse the test results.

## **2. Business Outlook**

The COVID-19 pandemic has affected most businesses in Singapore and Malaysia.

We are uncertain as to the duration and extent of the COVID-19 and the operating environment will be challenging

With our established and trusted services built up over the last 20 years, we are confident that we can ride out this storm and continue pursuing growth in the dental business.

The Group expects the pent up demand in non-essential dental treatment arising as a result of the CB/MCO will return as the economy opens up after the CB/MCO to curb the spread of the COVID-19 virus.

Our balance sheet remains strong following the partial divestment of Aidite and hence the Board was able to proceed with the proposed FY2019 special and final dividend by reclassifying as a second interim dividend for FY2019.

With a strong balance sheet, we are able to invest in new business opportunity like the COVID-19 test kits and laboratory business to build a robust and diversified dental business.

The Group would like to assure shareholders that steps are taken to focus on operational improvement, tighten costs, conserve the cash flow and manage the working capital needs of the Group.

Beside the Singapore and Malaysia government support for businesses affected by COVID-19, we are fortunate to have the continuing support from our existing patients and bankers.

We will continue to monitor the situation and its impact on our dental outlets in Singapore and Malaysia and update shareholders when further material development arises.

### **3. Cautionary Statement**

Shareholders of the Company (“Shareholders”) and potential investors should exercise caution when trading in shares of the Company in relation to this announcement. Shareholders and potential investors should read this announcement carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the action they should take.

By Order of the Board

**Q & M Dental Group (Singapore) Limited**

Vitters Sim

Chief Financial Officer

14 May 2020

---

For more information, please contact:

**Chief Financial Officer**

Vitters Sim

Tel: 6705 9888

Email: [vitters@qnm.sg](mailto:vitters@qnm.sg)