



Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2021 ("1Q21")

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 31/03/2021 \$'000	3 Months ended 31/03/2020 \$'000	Change %
Revenue				
Dental and Medical Clinics		39,201	27,781	41
Equipment & Supplies Distribution and Laboratory Tests		4,561	2,063	121
Total Revenue		43,762	29,844	47
Other Items of Income				
Interest Income		1	64	(98)
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(3,495)	(2,342)	49
Cost of Sales -Equipment & Supplies Distribution and Laboratory Tests		(2,123)	(1,213)	75
Employee Benefits Expense		(24,869)	(17,836)	39
Depreciation and Amortisation Expense		(897)	(827)	8
Depreciation of Right-Of-Use Assets		(2,730)	(2,775)	(2)
Other Expenses		(2,415)	(1,391)	74
Finance Costs		(788)	(1,168)	(33)
Other Gains – Net	1(a)(i)	4,255	(110)	NM
Share of Loss from Equity-Accounted Associates		(240)	(856)	(72)
Profit Before Tax from Continuing Operations		10,461	1,391	652
Income Tax Expense		(410)	(115)	257
Profit From Continuing Operations, Net of Tax		10,051	1,276	688
Other Comprehensive Income:				
Exchange Differences on Translating Foreign Operations, Net of Tax		188	920	(80)
Other Comprehensive Income for the Year, Net of Tax		10,239	2,196	366
Total Comprehensive Income for the Year		10,239	2,196	366
Profit / (Loss) attributable to:				
Owners of the Parent, Net of Tax		9,411	1,311	618
Non-Controlling Interests, Net of Tax		640	(35)	NM
Profit Net of Tax		10,051	1,276	688
Total Comprehensive Income attributable to:				
Owners of the Parent		9,610	2,153	346
Non-Controlling Interests		629	43	1363
Total Comprehensive Income		10,239	2,196	366

NM: Not Meaningful



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

	Note	Group		
		3 Months ended 31/03/2021 \$'000	3 Months ended 31/03/2020 \$'000	Change %
Profit Excluding Other Gains and Share of Profit from Equity-Accounted Associates and Other One-Time Expenses Attributable to:				
Owners of the Parent, Net of Tax		9,411	1,311	618
Exclude:				
Other (Gains) / Loss – Net		(4,255)	110	NM
Share of Loss from Equity-Accounted Associates		240	856	(72)
One-Time Expenses for Profit Generated from the Disposal of Aidite		1,400	-	NM
Owners of the Parent, Net of Tax		6,796	2,277	198
Non-Controlling Interests, Net of Tax		640	(35)	NM
Profit Net of Tax		7,436	2,242	228

NM: Not Meaningful

Notes:

1(a)(i) Other Gains – Net

	3 Months ended	
	31/03/2021 \$'000	31/03/2020 \$'000
Loss on Disposal of Plant & Equipment	-	(43)
Plant & Equipment Written Off	-	(15)
Foreign Exchange Adjustment Loss	(4)	(47)
Gain on Disposal of Interests in Associate	4,373	-
Allowance for Impairment of Trade and Other Receivables	(19)	-
Allowance for Impairment of Plant & Equipment	-	(5)
Allowance for Impairment of Inventory	(95)	-
	4,255	(110)



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	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	29,120	28,884	933	930
Right-Of-Use Assets	49,572	49,521	594	633
Investment in Subsidiaries	-	-	65,273	65,273
Investment in Associates	31,462	43,743	33,347	32,964
Goodwill	53,141	53,144	-	-
Other Intangible Assets	2,661	2,441	-	-
Other Receivables	1,189	1,199	822	822
Other Non-Financial Assets	7,077	8,568	4,104	3,939
Total Non-Current Assets	174,222	187,500	105,073	104,561
<u>Current Assets</u>				
Inventories	15,886	16,092	-	-
Trade and Other Receivables	44,699	18,190	87,777	95,688
Other Non-Financial Assets	3,965	3,226	1,754	1,703
Cash and Cash Equivalents	39,479	48,772	5,208	5,123
Total Current Assets	104,029	86,280	94,739	102,514
Total Assets	278,251	273,780	199,812	207,075
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	86,758	86,758	86,758	86,758
Treasury Shares	(10,897)	(10,897)	(10,897)	(10,897)
Retained Earnings	36,884	47,156	10,014	28,523
Other Reserves, Total	(1,738)	(1,937)	-	-
Equity Attributable to Owners of the Parent, Total	111,007	121,080	85,875	104,384
Non-Controlling Interests	3,474	2,845	-	-
Total Equity	114,481	123,925	85,875	104,384
<u>Non-Current Liabilities</u>				
Provisions	834	850	-	-
Deferred Tax Liabilities	1,152	1,160	-	-
Lease Liabilities Arising from Right-Of-Use Assets	43,005	42,143	414	509
Other Financial Liabilities	83,640	75,456	81,788	71,788
Total Non-Current Liabilities	128,631	119,609	82,202	72,297
<u>Current Liabilities</u>				
Income Tax Payable	2,216	2,633	-	-
Trade and Other Payables	16,970	16,541	30,300	29,014
Lease Liabilities Arising from Right-Of-Use Assets	8,535	9,131	190	134
Other Financial Liabilities	7,418	1,941	1,245	1,246
Total Current Liabilities	35,139	30,246	31,735	30,394
Total Liabilities	163,770	149,855	113,937	102,691
Total Equity and Liabilities	278,251	273,780	199,812	207,075



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 31/03/2021</u>	<u>As at 31/12/2020</u>
	\$'000	\$'000
<u>Bank Loans</u>		
Amount repayable within one year	1,371	1,371
Amount repayable after one year	83,539	73,563

Bank loans amounting to \$7.7 million (31 December 2020: \$7.9 million) are secured by legal mortgage of the Group's Properties and covered by corporate guarantee from the Company.

	<u>At 31/03/2021</u>	<u>At 31/12/2020</u>
	\$'000	\$'000
<u>Finance Leases</u>		
Amount repayable within one year	15	8
Amount repayable after one year	101	36

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

	<u>As at 31/03/2021</u>	<u>As at 31/12/2020</u>
	\$'000	\$'000
<u>Bills Payable</u>		
Amount repayable within one year	371	562

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 31/03/2021</u>	<u>As at 31/12/2020</u>
	\$'000	\$'000
<u>Preference Shares</u>		
Amount repayable within one year	5,661	-
Amount repayable after one year	-	1,857

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. 75% of the preference shares were redeemed on 11 January 2020. On 8 April 2021, the Group announced the completion of the proposed collective disposal of the balance 12.246% registered capital of Aidite.



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	
	31/3/2021	31/03/2020
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	10,461	1,391
Adjustments for:		
Interest Income	(1)	(64)
Interest Expense	788	1,168
Gain on Partial Disposal of Interests in Associate	(4,373)	-
Depreciation of Plant and Equipment and Amortisation Expenses	897	827
Depreciation of Right-Of-Use Assets	2,730	2,775
Foreign Currency Translation Reserve	16	(56)
Loss on Disposal of Plant and Equipment, net	-	43
Impairment of Plant and Equipment	-	5
Provisions	(15)	237
Plant and Equipment Written Off	-	15
Share of Profit from Equity – Accounted Associates	240	856
Operating Cash Flows Before Changes in Working Capital	10,743	7,197
Inventories	206	(56)
Trade and Other Receivables	(3,803)	974
Other Non-Financial Assets	(528)	(774)
Trade and Other Payables	429	(5,172)
Net Cash Flows From Operations Activities Before Interest and Tax	7,047	2,169
Income Taxes Paid	(838)	(490)
Net Cash Flows From Operating Activities	6,209	1,679
<u>Cash Flows (Used in) / From Investing Activities</u>		
Purchase of Property, Plant and Equipment	(1,101)	(1,033)
Purchase of Intangible Assets	(283)	(142)
Disposal of Plant and Equipment	3	70
Other Non-Financial Assets	(576)	129
Trade and Other Receivables	(43)	8
Increase in Investment in Associate	(384)	-
Other Receivables, Non-Current	9	13
Net Proceeds from Partial Disposal of Associate*	-	41,810
Dividends Received from Associate	-	1,282
Interest Received	1	64
Net Cash Flows (Used in) / From Investing Activities	(2,374)	42,201
<u>Cash Flows Used in Financing Activities</u>		
Finance Lease Repayments	(4)	(2)
Proceeds from Finance Lease	75	-
Share Buy Back Exercise	-	(1,024)
Proceeds from Term Loans	10,000	-
Bill Payables	(191)	(369)
Lease Liabilities – Principle Portion Paid	(2,515)	(2,475)
Lease Liabilities – Interest Paid	(411)	(474)
Repayment of Bank Loans	(23)	(1,194)
Interest Paid	(376)	(694)
Dividends Paid to Equity Owners	(19,683)	-
Net Cash Flows Used in Financing Activities	(13,128)	(6,232)



	Group	
	3 Months ended	
	31/03/2021	31/3/2020
	\$'000	\$'000
Net (Decrease) / Increase in Cash and Cash Equivalents in Continuing operations	(9,293)	37,648
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Year	48,772	27,253
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Year	39,479	64,901
Cash and Cash Equivalents at End of Year includes the following:		
Cash and Bank Balances	39,479	64,901
Cash and Cash Equivalents at End of Year	39,479	64,901

* Net proceeds from disposal of Aidite of \$17 million was received in April 2021.



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 2021	123,925	121,080	86,758	47,156	(10,897)	(1,937)	2,845
Movements in Equity:							
Total Comprehensive Income for the year	10,239	9,610	-	9,411	-	199	629
Dividends Paid	(19,683)	(19,683)	-	(19,683)	-	-	-
Closing Balance at 31 March 2021	114,481	111,007	86,758	36,884	(10,897)	(1,738)	3,474
Group - Previous Year							
Opening Balance at 1 January 2020	123,130	121,973	86,758	49,677	(11,558)	(2,904)	1,157
Movements in Equity:							
Total Comprehensive Income for the year	2,196	2,153	-	1,311	-	842	43
Share Buy Back	(1,024)	(1,024)	-	-	(1,024)	-	-
Issue of Share Capital	2,190	2,190	-	-	2,190	-	-
Closing Balance at 31 March 2020	126,492	125,292	86,758	50,988	(10,392)	(2,062)	1,200



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)s

	<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 2021	104,384	86,758	(10,897)	-	28,523
Movements in Equity:					
Total Comprehensive Income for the year	1,174	-	-	-	1,174
Dividends Paid	(19,683)	-	-	-	(19,683)
Closing Balance at 31 March 2021	85,875	86,758	(10,897)	-	10,014
Company - Current year					
Opening Balance at 1 January 2020	106,921	86,758	(11,558)	-	31,721
Movements in Equity:					
Total Comprehensive Income for the year	(381)	-	-	-	(381)
Share Buy back	(1,024)	-	(1,024)	-	-
Issue of Share Capital	2,190	-	2,190	-	-
Closing Balance at 31 March 2020	107,706	86,758	(10,392)	-	31,340



- 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. State also the number of shares held as treasury shares and the number of subsidiary holding, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2021	<u>787,309</u>	<u>75,861</u>
At 31 Mar 2021	<u><u>787,309</u></u>	<u><u>75,861</u></u>

Employee Share Option

During the year ended 31 March 2021, no share options were issued or exercised. No share options outstanding as at 31 March 2021 (31 March 2020: NIL).

Treasury Shares

The Company has 17,579,173 treasury shares as at 31 March 2021 (31 March 2020: 16,204,173) and there is no subsidiary holdings as at 31 March 2021 (31 March 2020: NIL).

- 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 31/3/2021</u>	<u>As at 31/12/2020</u>
Total number of issued shares excluding treasury shares	<u><u>787,308,627</u></u>	<u><u>787,308,627</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.

- 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 2020.

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 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 the 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 in 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	
	31/3/2021	31/3/2020
(i) Basic earnings per share (cents)	1.20	0.17
(ii) On a fully diluted basis (cents)	1.20	0.17

The basic EPS for the year ended 31 March 2021 and 31 March 2020 are based on the profit attributable to equity holders of parent, net of tax and the weighted average number of ordinary shares of 787,323,038 shares and 785,701,995 shares respectively.

There is no dilutive effect on the EPS for the period ended 31 March 2021 and 31 March 2020.

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	
	31/3/2021	31/12/2020	31/3/2021	31/12/2020
Net asset value per ordinary share (cents)	14.1	15.4	10.9	13.3

The net asset value per ordinary share of the Group and the Company as at 31 December 2020 has been calculated based on the total issued number of ordinary shares excluding treasury shares of 787,308,627 (2020: 787,308,627).



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 increased by 41% from \$27.8 million for the three months ended 31 March 2020 ("1Q20") to \$39.2 million for the three months ended 31 March 2021 ("1Q21"). The increase of \$11.4 million was mainly due to higher revenue from existing outlets in Singapore. .

As at 31 March 2021, the Group has 85 dental outlets, 5 medical outlets and 1 dental college in operations, compared to 80 dental outlets, 5 medical outlets and 1 dental college as at 31 March 2020 in Singapore.

As at 31 March 2021, the Group has 36 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 32 dental outlets in Malaysia and 1 dental outlet in PRC as at 31 March 2020.

Revenue contribution from the dental equipment & supplies distribution and laboratory tests was \$4.6 million in 1Q21 as compared to \$1.6 million in 1Q20. The increase was mainly due to the acquisition of Covid-19 business from Acumen Research Laboratories Pte. Ltd. in April 2020.

Other Gains – Net

Other gains – net amounted to \$4.3 million in 1Q21. This gain was mainly due to gain on disposal of the balance 12.246% of the equity-accounted associate, Aidite.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used increased by 49% from \$2.3 million in 1Q20 to \$3.5 million in 1Q21. The increase of \$1.2 million was mainly attributable to increase in revenue as well as increased usages of surgical masks and other personnel protection equipment ('PPE') due to the current Covid-19 pandemic, to fully protect our dentists and nurses.

As a percentage of revenue from the dental and medical clinics, consumables and supplies used in the dental and medical outlets in 1Q21 was 8.9% compared to 8.4% in 1Q20 mainly due to product mix.

Cost of Sales from Dental Equipment & Supplies and Laboratory Tests

The cost of sales from dental equipment & supplies distribution and laboratory tests was \$2.1 million in 1Q21 as compared to \$1.2 million in 1Q20. The increase was mainly due to the acquisition of Covid-19 business from Acumen Research Laboratories Pte. Ltd. in April 2020.

As a percentage of revenue from dental equipment & supplies distribution and laboratory tests, cost of sales used in the dental & supplies distribution and laboratory tests in 1Q21 was 46.5% compared to 58.8% in 1Q20.



Employee Benefits Expense

Employee benefits expense increased by 39% from \$17.8 million in 1Q20 to \$24.9 million in 1Q21. Employee benefits expense included professional fees paid to dentists. The increase of \$7.1 million was mainly due to increase in revenue as well as a one-time expense for the profit generated on the disposal of Aidite.

As a percentage of revenue, employee benefits expense in 1Q21 was 56.8% compared to 59.8% in 1Q20.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 8% from \$0.8 million in 1Q20 to \$0.9 million in 1Q21. The increase of \$0.1 million was mainly due to the acquisition of Covid-19 diagnostic test kits and related business from Acumen Research Laboratories Pte. Ltd. in April 2020.

As a percentage of revenue, depreciation and amortisation expense in 1Q21 was 2.0% compared to 2.8% in 1Q20.

Other Expenses

Other expenses increased by 74% from \$1.4 million in 1Q20 to \$2.4 million in 1Q21. The increase of \$1.0 million was mainly due to higher revenue which resulted in higher credit card charges, advertising and marketing expenses, legal and professional fees due to the legal cases in PRC. Other expenses in 1Q21 also included expenses incurred by Acumen which was acquired in April 2020.

As a percentage of revenue, other expenses in 1Q21 was 5.5% compared to 4.7% in 1Q20.

Finance Costs

Finance costs decreased by 33% from \$1.2 million in 1Q20 to \$0.8 million in 1Q21. The decrease was mainly due to lower interest expense in 1Q21 as a result of lower interest rate.

As a percentage of revenue, finance costs in 1Q21 was 1.8% compared to 3.9% in 1Q20.

Share of Loss from Equity-Accounted Associates

Share of loss from equity-accounted associates decreased by 72% from \$0.9 million in 1Q20 to \$0.2 million in 1Q21. The decrease was mainly due to lower loss from equity-accounted associate, Aoxin Q & M.

Profit Before Tax and Net Profit

For the reasons given above, the Group's profit before tax increased by 652% from \$1.4 million in 1Q20 to \$10.5 million in 1Q21.

After deducting provision for income tax expense of \$0.4 million, the Group's net profit was \$10.1 million in 1Q21 as compared to \$1.3 million in 1Q20.

For 1Q21, profit after tax attributable to owners of the parent was \$9.4 million as compared to \$1.3 million in 1Q20.

Statement of Financial Position

As at 31 March 2021, the Group has cash and cash equivalents of \$39.5 million, bank borrowings, finance leases and preference shares payable amounting to \$91.1 million.



Current Assets

Cash and cash equivalents as at 31 March 2021 decreased to \$39.5 million from \$48.8 million as at 31 December 2020. The decrease of \$9.3 million was mainly due to payment of \$19.7 million second interim dividend with respect to FY2020 offset by proceeds from new term loan of \$10 million and net cash generated from operations.

Trade and other receivables as at 31 March 2021 increased to \$44.7 million from \$18.2 million as at 31 December 2020. The increase of \$26.5 million was mainly due to proceeds receivable of \$22.7 million from the disposal of the balance 12.246% of equity-accounted associate, Aidite.

Other assets as at 31 March 2021 increased to \$4.0 million from \$3.2 million as at 31 December 2020. The increase of \$0.8 million was mainly due to an increase in sign on bonus for dentists and deposit for renovation of clinics in 1Q21.

Non-Current Assets

Investment in associates as at 31 March 2021 decreased to \$31.5 million from \$43.7 million as at 31 December 2020. The decrease of \$12.2 million was mainly due to the disposal of the balance 12.246% of equity-accounted associate, Aidite.

Other assets as at 31 March 2021 decreased to \$7.1 million from \$8.6 million as at 31 December 2020. The decrease of \$1.5 million was mainly due to the reclassification of \$1.9 million preference shares held in trust in Aidite to trade and other receivables as a result of the disposal of the balance 12.246% of equity-accounted associate, Aidite and offset by an increase in sign on bonus for dentists in 1Q21.

Current Liabilities

Other financial liabilities as at 31 March 2021 increased to \$7.4 million from \$1.9 million as at 31 December 2020. The increase of \$5.5 million was mainly due to accrual of payables to Q & M Professionals Holding Pte. Ltd., All Win Investment Holdings Pte. Ltd., Full Win Investment Holdings Pte. Ltd., Initial Capital Investment Pte. Ltd. and Dr Cheah Kim Fee from disposal of the balance 12.246% of equity-accounted associate, Aidite.

Lease liabilities arising from right-of-use ("ROU") assets as at 31 March 2021 decreased to \$8.6 million from \$9.1 million as at 31 December 2020. The decrease of \$0.5 million was mainly due to the expiry of leases less than one year that has yet to be renewed.

Non-Current Liabilities

Other financial liabilities as at 31 March 2021 increased to \$83.6 million from \$75.5 million as at 31 December 2020. The increase of \$8.1 million was mainly due to proceeds from new term loan of \$10.0 million offset by reclassification of \$1.9 million preference shares held in trust in Aidite from non-current liabilities to current liabilities.

Lease liabilities from ROU assets as at 31 March 2021 increased to \$43.0 million from \$42.1 million as at 31 December 2020. The increase was mainly due to renewal and new leases in 1Q21.

Statement of Cash Flows

The Group generated net cash flow from operating activities of \$6.3 million in 1Q21. This was mainly derived from the profit generated in 1Q21 offset by increase of trade and other receivables of \$3.8 million.



Net cash used in investing activities in 1Q21 amounted to \$2.4 million, mainly due to sign on bonus for dentists and purchase of plant and equipment for the existing clinics and new dental clinics.

Net cash used in financing activities in 1Q21 was \$13.1 million, mainly due to second interim special dividend paid to equity owners of \$19.7 million offset by proceeds from a new term loan of \$10 million.

Consequent to the above factors, the Group's cash and cash equivalents was \$39.5 million as at 31 March 2021.

8. 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.

9. 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

According to the Straits Times article dated 11 May 2021, "World may have to learn to live with Covid-19: Doctors". Experts now say new more contagious variants are spreading too easily and vaccinations are happening too slowly for herd immunity to be within reach anytime soon. That means that if the virus continues to run rampant through much of the world, it is on its way to becoming endemic, an ever-present threat.

In a CNBC article dated 10 May 2021, Singapore Minister for Foreign Affairs, Mr Vivian Balakrishnan says Covid-19 is "permanent" and subsequent waves of infections will be a normal occurrence in the coming years.

With the recent surge in community infections in Singapore, the government has decided to implement for 3 weeks new measures to restrict social mobility from 8 May 2021 to 30 May 2021. Malaysia will be imposing a nationwide Movement Control Order ("MCO") from 12 May 2021 to 7 June 2021 to stem the rising number of Covid-19 cases in the country.

Barring any unforeseen circumstances and the possible worsening of the Covid-19 situation leading to another lock down in Singapore and Malaysia, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months.

Recent Developments

• Update on the Company's Singapore Operations

In April, the Company has opened 1 new dental clinic in Orchard Central. The Company has also secured location to open 3 new dental clinics in Bedok Reservoir, Jurong Yuhua and Canberra which are expected to commence operations in the 2021 and targeting to open 10 new clinics by 1H2021.

• Update on the Company's Malaysia Operations

Two new dental clinics in Semenyith and Seremban had commenced operations in March 2021 and April 2021 respectively.



Future Plans

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

- Expansion of Acumen Business

As stated in the Ministry of Health website as at 3 May 2021, the average daily number of swab tests over the past week was 52,900.

The Group will focus on the expansion of Acumen Laboratory Covid-19 testing business through automation to improve efficiency and productivity to cater for any increase in Covid-19 laboratory test arising from the recent surge in Covid-19 infections in Singapore. We are also expanding our in-house laboratory testing to include serology Test.

- Expansion of network of dental clinics in Singapore and Malaysia

Currently, the Group operates 86 clinics in Singapore. The Group will be focusing on its operation 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. We will continue to develop, invest and optimise our digital Artificial Intelligence (AI) ethical enhanced guided treatment plan to provide the most effective and suitable treatment plans for patient. The Group believes it is well-positioned to cater to the rising demand for primary and higher value specialist dental healthcare services to its patients/customers.

Currently, the Group operates 37 clinics in Malaysia. The clinics are 15 dental clinics in Johor, 16 dental clinics in Kuala Lumpur and 5 dental clinics in Malacca.

The Group intends to open at least 30 dental clinics a year from 2021 onwards in Singapore and Malaysia for the next 10 years. The eventual number of dental outlets will depend on available opportunities, pertinent market conditions and the evolving Covid-19 situation.

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

The main thrust of the Group's proposed expansion in PRC is through organic growth to develop a new and sustainable growth pillar that can yield long term value for the Group.

- Expansion in Southeast Asia

The Group is continuously looking for opportunities to expand its businesses through opening new dental clinics in Southeast Asia.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	First Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.0 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? No

(c) The date the dividend is payable.

The dividend will be paid on 2 June 2021.

(d) Book closure date

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 24 May 2021 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 21 May 2021 will be registered to determine members' entitlements to the interim 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 21 May 2021 will be entitled to the payment of the interim dividend.

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

Not applicable.

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 2021 to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD

Dr Ng Chin Siau
Group Chief Executive Officer
11 May 2021