



Condensed Financial Statement And Dividend Announcement For The First Quarter Ended 31 March 2022 (“1Q22”)

1(a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		
		Year-To-Date		
		31/03/2022 \$'000	31/03/2021 \$'000	Change %
Revenue				
Dental and Medical Clinics		38,582	39,202	(2)
Medical Laboratory and Dental Equipment & Supplies		8,200	4,561	80
Total Revenue	3	46,782	43,763	7
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(3,169)	(3,495)	(9)
Cost of Sales - Medical Laboratory and Dental Equipment & Supplies		(3,482)	(2,123)	64
Employee Benefits Expense		(24,352)	(24,869)	(2)
Depreciation and Amortisation Expense		(1,158)	(897)	29
Depreciation of Right-Of-Use Assets		(3,054)	(2,730)	12
Other Expenses		(2,817)	(2,415)	17
Finance Costs	5	(726)	(788)	(8)
Other (Losses) Gains - Net	4	(26)	4,255	NM
Share of Loss from Equity-Accounted Associate		(83)	(240)	(65)
Profit Before Tax from Continuing Operations		7,915	10,461	(24)
Income Tax Expense	6	(705)	(410)	72
Profit From Continuing Operations, Net of Tax		7,210	10,051	(28)
Other Comprehensive Income:				
Exchange Differences on Translating Foreign Operations, Net of Tax		(58)	188	NM
Other Comprehensive Income for the Period, Net of Tax		7,152	10,239	(30)
Total Comprehensive Income for the Period		7,152	10,239	(30)
Profit Attributable to:				
Owners of the Parent, Net of Tax		6,462	9,411	(31)
Non-Controlling Interests, Net of Tax		748	640	17
Profit, Net of Tax		7,210	10,051	(28)
Profit Excluding Other (Losses) Gains:				
Owners of the Parent, Net of Tax		6,488	5,156	26
Non-Controlling Interests, Net of Tax		748	640	17
Profit, Net of Tax		7,236	5,796	25
Total Comprehensive Income Attributable to:				
Owners of the Parent		6,409	9,610	(33)
Non-Controlling Interests		743	629	18
Total Comprehensive Income		7,152	10,239	(30)
EBITDA		12,853	14,876	(14)
EBITDA (Excluding Other (Losses) / Gains)		12,879	10,621	21

NM: Not Meaningful



Q & M Dental Group (Singapore) Limited
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(Company Registration No: 200800507R)

	Note	Group	
		Year-To-Date	
		31/03/2022 \$'000	31/03/2021 \$'000
Earnings Per Share			
Based on the Weighted Average Number of Ordinary ^(a) Shares on Issue			
– Cents		0.69	1.00
Fully Diluted Basis – Cents		0.69	1.00
Earnings Per Share (Excluding Other (Losses) / Gains			
Based on the Weighted Average Number of Ordinary ^(a) Shares on Issue			
– Cents		0.69	0.55
Fully Diluted Basis – Cents		0.69	0.55

- (a) The basic EPS for the period ended 31 March 2022 and 31 March 2021 are based on the profit attributable to equity holders of parent, net of tax and weighted average number of ordinary shares of 939,442,940 and 944,770,038 shares respectively.



1(b) Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at		As at	
		31/03/2022	31/12/2021	31/03/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	32,702	32,604	971	918
Right-Of-Use Assets		50,628	51,716	1,241	1,295
Investment in Subsidiaries		-	-	61,943	61,943
Investment in Associates	9	26,937	27,044	33,383	33,383
Goodwill	10	56,776	56,597	-	-
Other Intangible Assets	11	3,481	3,580	-	-
Other Receivables		2,235	2,401	2,029	2,068
Other Assets		6,711	7,080	3,484	3,777
Total Non-Current Assets		179,470	181,022	103,051	103,384
Current Assets					
Inventories		15,955	15,892	-	-
Trade and Other Receivables		23,931	27,823	82,733	89,739
Other Assets		3,589	3,833	1,385	1,494
Cash and Cash Equivalents		43,515	47,611	4,213	2,661
Total Current Assets		86,990	95,159	88,331	93,894
Total Assets		266,460	276,181	191,382	197,278
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Parent					
Share Capital	12	86,758	86,758	86,758	86,758
Treasury Shares	12	(13,950)	(13,950)	(13,950)	(13,950)
Retained Earnings		23,074	26,006	6,903	11,961
Other Reserves, Total		(1,018)	(965)	-	-
Equity Attributable to Owners of the Parent, Total		94,864	97,849	79,711	84,769
Non-Controlling Interests		6,140	5,397	-	-
Total Equity		101,004	103,246	79,711	84,769
Non-Current Liabilities					
Provisions		776	776	-	-
Deferred Tax Liabilities		2,393	2,393	-	-
Lease Liabilities Arising from Right-Of-Use Assets		44,612	44,296	1,080	1,131
Other Financial Liabilities	13	83,066	80,176	81,327	78,408
Total Non-Current Liabilities		130,847	127,641	82,407	79,539
Current Liabilities					
Income Tax Payable		6,149	5,595	-	-
Trade and Other Payables		18,872	26,239	28,830	29,536
Lease Liabilities Arising from Right-Of-Use Assets		8,804	9,908	189	189
Other Financial Liabilities	13	784	3,552	245	3,245
Total Current Liabilities		34,609	45,294	29,264	32,970
Total Liabilities		165,456	172,935	111,671	112,509
Total Equity and Liabilities		266,460	276,181	191,382	197,278



1(c) Condensed Interim Consolidated Statement of Cash Flows

	Group	
	3 Months ended	
	31/03/2022	31/03/2021
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	7,915	10,461
Adjustments for:		
Interest Income	-	(1)
Interest Expense	726	788
Plant and Equipment Written Off	19	-
Share of Loss from Equity – Associated Associates	83	240
Gain on Disposal of interest in Associates	-	(4,373)
Depreciation of Property, Plant and Equipment and Amortisation Expense	1,158	897
Depreciation of Right-Of-Use Assets	3,054	2,730
Foreign Currency Translation Reserve Provision	(7)	16
	-	(15)
Operating Cash Flows Before Changes in Working Capital	12,948	10,743
Inventories	(63)	206
Trade and Other Receivables	4,278	(3,803)
Other non-financial assets	174	(528)
Trade and Other Payables	(2,467)	429
Net Cash Flows From Operating Activities Before Interest and Tax	14,870	7,047
Income Taxes Paid	(149)	(838)
Net Cash Flows From Operating Activities	14,721	6,209
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Plant and Equipment	(1,270)	(1,101)
Purchase of Intangible Assets	(29)	(283)
Disposal of Plant and Equipment	97	3
Other non-financial assets	437	(576)
Trade and Other Receivables	(386)	(43)
Increase in Investment in Associate	-	(384)
Acquisition of subsidiary	(180)	-
Other Receivables, Non-Current	166	9
Interest Received	-	1
Net Cash Flows Used in Investing Activities	(1,165)	(2,374)
<u>Cash Flows Used in Financing Activities</u>		
Lease Liabilities – Principal Portion Paid	(2,754)	(2,515)
Lease Liabilities – Interest Paid	(440)	(411)
Finance Lease Repayment	(17)	(4)
Proceeds from Finance Lease	-	75
Repayment of Bank Loans	(95)	(23)
Proceeds from Term Loan	-	10,000
Bill Payables	234	(191)
Interest Paid	(286)	(376)
Dividends Paid to Non-Controlling Interest*	(4,900)	-
Dividends Paid to Equity Owners	(9,394)	(19,683)
Net Cash Flows Used In Financing Activities	(17,652)	(13,128)
Net Decrease in Cash and Cash Equivalents	(4,096)	(9,293)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	47,611	48,772
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	43,515	39,479



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	Group	
	3 Months ended	
	31/03/2022	31/03/2021
	\$'000	\$'000
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	43,515	39,479
Cash and Cash Equivalents at End of Period	43,515	39,479

* Payment of accrued dividends to Aoxin Q&M, an associate of the Group and the 49% owner of Acumen Diagnostics Pte. Ltd. of which the Group has 51% ownership.



1(d)(i) Condensed Interim Statements of Changes in Equity

	<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 Period							
Opening Balance at 1 January 2022	103,246	97,849	86,758	26,006	(13,950)	(965)	5,397
Movements in Equity:							
Total Comprehensive Income for the Period	7,152	6,409	-	6,462	-	(53)	743
Dividends Paid (Note 7)	(9,394)	(9,394)	-	(9,394)	-	-	-
Closing Balance at 31 March 2022	101,004	94,864	86,758	23,074	(13,950)	(1,018)	6,140
Group - Previous Period							
Opening Balance at 1 January 2021	124,695	121,080	86,758	47,156	(10,897)	(1,937)	3,615
Movements in Equity:							
Total Comprehensive Income for the Period	10,239	9,610	-	9,411	-	199	629
Dividends Paid (Note 7)	(19,683)	(19,683)	-	(19,683)	-	-	-
Closing Balance at 31 March 2021	115,251	111,007	86,758	36,884	(10,897)	(1,738)	4,244



1(d)(ii) Condensed Interim Statements of Changes in Equity

	<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 Period					
Opening Balance at 1 January 2022	84,769	86,758	(13,950)	-	11,961
Movements in Equity:					
Total Comprehensive Income for the Period	4,336	-	-	-	4,336
Dividends Paid (Note 7)	(9,394)	-	-	-	(9,394)
Closing Balance at 31 March 2022	79,711	86,758	(13,950)	-	6,903
Company - Previous Period					
Opening Balance at 1 January 2021	104,384	86,758	(10,897)	-	28,523
Movements in Equity:					
Total Comprehensive Income for the Period	1,174	-	-	-	1,174
Dividends Paid (Note 7)	(19,683)	-	-	-	(19,683)
Closing Balance at 31 March 2021	85,875	86,758	(10,897)	-	10,014



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1(e) Notes to the Condensed Interim Financial Statements
31 March 2022

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company (referred to as “parent”) and the subsidiaries. The registered office is: 2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809. The Company is situated in Singapore.

The board of directors approved and authorised these condensed financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are the provision of management and consultancy services and investment holding. It is listed on the Singapore Exchange Securities Trading Limited, (“SGX-ST”).

The principal activities of the group are disclosed in Note 2 on segment information.

The financial information contained in this announcement has neither been audited nor review by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 31 December 2021. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the group since the latest audited annual financial statements.

New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.



Critical judgements, assumptions and estimation uncertainties

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclosed with further details in the relevant Notes to these condensed consolidated interim financial statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

2. Financial information by operating segments

2A. Information about reportable segment profit or loss, assets and liabilities

The following summary describes the operations in each of the Group's operating segments:

- (i) Primary healthcare comprising dentistry, family medicine, aesthetic services and others.
- (ii) Medical laboratory and dental equipment and supplies comprising sale and distribution of Covid-19 test kits and provision of laboratory testing and distribution of dental supplies and equipment.



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2B(i). Profit or loss for the 3 months ended 31 March from continuing operations and reconciliations

	<u>Primary Healthcare</u>		<u>Medical Laboratory and Dental Equipment & Supplies</u>		<u>Unallocated – Investment in Associates</u>		<u>Consolidated</u>	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue by segment	39,156	39,202	9,635	5,704	-	-	48,791	44,906
Inter-segment sales	(574)	-	(1,435)	(1,143)	-	-	(2,009)	(1,143)
Total revenue	38,582	39,202	8,200	4,561	-	-	46,782	43,763
Segment results	9,837	9,206	3,099	1,537	(83)	4,133	12,853	14,876
Finance costs							(726)	(788)
Depreciation of plant and equipment							(1,030)	(833)
Depreciation right-of-use assets							(3,054)	(2,730)
Amortisation of intangible assets							(128)	(64)
Profit before income tax							7,915	10,461
Income tax expense							(705)	(410)
Profit, net of tax							7,210	10,051
Expenditure for non-current assets								
Property, plant and equipment	(1,228)	(971)	(42)	(130)	-	-	(1,270)	(1,101)
Other material non-cash items								
Depreciation of plant and equipment	(848)	(758)	(182)	(75)	-	-	(1,030)	(833)
Depreciation right-of-use assets	(2,984)	(2,697)	(70)	(33)	-	-	(3,054)	(2,730)
Amortisation of intangible assets	(107)	(64)	(21)	-	-	-	(128)	(64)
Finance costs	(717)	(777)	(9)	(11)	-	-	(726)	(788)
Gain on deem disposal of associate	-	-	-	-	-	4,373	-	4,373
Allowance on inventories	-	-	(2)	(95)	-	-	(2)	(95)
Allowance on trade receivables	-	-	(2)	(19)	-	-	(2)	(19)



2C. Assets and reconciliation

	As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment assets</u>		
Primary healthcare	201,715	200,241
Medical laboratory and dental equipment and supplies	37,808	48,896
Unallocated – investment in associates	26,937	27,044
Total	<u>266,460</u>	<u>276,181</u>

2D. Liabilities and reconciliation

	As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment liabilities</u>		
Primary healthcare	155,065	157,813
Medical laboratory and dental equipment and supplies	10,391	15,122
Total	<u>165,456</u>	<u>172,935</u>

2E. Geographical information

The Group operations are primarily in Singapore, Malaysia and China.

	3 months ended 31 Mar	
	<u>2022</u> \$'000	<u>2021</u> \$'000
<u>Revenue</u>		
Singapore	43,425	41,316
Malaysia	3,139	2,163
China	218	284
Total	<u>46,782</u>	<u>43,763</u>

	As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Non-current assets</u>		
Singapore	147,643	149,153
Malaysia	4,529	4,462
China	27,298	27,407
Total	<u>179,470</u>	<u>181,022</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.



3. Revenue

	3 months ended 31 Mar	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Dental, medical and medical laboratory testing services	43,153	40,811
Sales of goods	2,677	1,578
Profit guarantee income	712	949
Rental income	96	145
Other income	144	280
Total revenue	<u>46,782</u>	<u>43,763</u>

4. Other gains and (other losses)

	3 months ended 31 Mar	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Plant and equipment written off	(19)	-
Foreign exchange translation loss	(3)	(4)
Gain on deem disposal of associate	-	4,373
Impairment allowance on other receivables – loss	(2)	(19)
Impairment allowance on inventories	(2)	(95)
Net	<u>(26)</u>	<u>4,255</u>

5. Finance costs

	3 months ended 31 Mar	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Interest on borrowings	286	376
Interest on lease liabilities	440	412
Net	<u>726</u>	<u>788</u>



6. Income tax expense

Components of tax expense recognised in profit or loss include:

	3 months ended 31 Mar	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	670	570
Under / (over) adjustments in respect of prior periods	33	(150)
Subtotal	<u>703</u>	<u>420</u>
<u>Deferred tax expense (income):</u>		
Deferred tax income	(10)	(11)
Under adjustments in respect of prior periods	12	1
Subtotal	<u>2</u>	<u>(10)</u>
Total income tax expense	<u>705</u>	<u>410</u>

7. Dividends on equity shares

	Group	
	31 Mar <u>2022</u>	31 Mar <u>2021</u>
	\$'000	\$'000
Second interim tax exempt dividend paid of \$0.025 with respect of FY2020	-	19,683
Fourth interim tax exempt dividend paid of \$0.01 with respect of FY2021	9,394	-
	<u>9,394</u>	<u>19,683</u>

8. Property, plant and equipment

During the three months ended 31 March 2022, the Group acquired assets amounting to \$1,270,000 (31 March 2021: \$1,101,000) and disposed of assets amounting to \$19,000 (31 March 2021: \$ Nil).



9. Investment in associates

	Group As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Movements in carrying value:		
Balance at beginning of the year	27,044	43,743
Additions ⁽ⁱⁱ⁾	-	420
Disposals ⁽ⁱ⁾	-	(12,623)
Dilution ⁽ⁱⁱⁱ⁾	-	(5,054)
Foreign currency translation adjustment	(24)	1,023
Share of (loss) profit for the year	(83)	(465)
	<u>26,937</u>	<u>27,044</u>

⁽ⁱ⁾ The Group fully disposed its interest in Aidite Qinhuangdao on 11 March 2021.

⁽ⁱⁱ⁾ In 2021, the Company acquired 2,150,700 ordinary shares of Aoxin Q & M Dental Group Limited ("Aoxin Q&M") in the open market for an aggregate consideration of \$0.4 million. Following the acquisition, the Company's shareholding interest in Aoxin Q&M increased from 165,520,138 to 167,670,838 shares (representing 43.94% interest).

⁽ⁱⁱⁱ⁾ On 1 November 2021, Aoxin Q&M acquired the remaining 49% of the shares of Acumen Diagnostics Pte. Ltd., a subsidiary of the Group for a consideration of \$29.4 million which was satisfied by the issuance of 127,272,726 new ordinary shares in the capital of Aoxin Q&M at \$0.231 per share. Following the issuance of the new shares, the shareholding interest held by the Group in Aoxin Q&M was diluted from 43.94% to 32.95%.

On 8 March 2022, Aoxin Q&M issued 2,441,000 new ordinary shares of no par value in the capital at an issue price of \$0.2 per share to one of the principal dentists. Following the issuance of these new shares, the Group's interest in Aoxin Q&M was diluted from 32.95% to 32.79%.

10. Goodwill

Goodwill that have an indefinite useful life are tested for impairment annually, or more frequently if events or changes in circumstances indicated that it might be impaired. No impairment indicators were identified as at 31 March 2022 based on the CGU's business performance.

Since the beginning of the reporting year, there were no changes in the circumstances and key assumptions.



11. Other intangible assets

	Development costs \$'000	Customer lists \$'000	Total \$'000
As at 31 December 2021:			
Cost	2,359	2,851	5,210
Accumulated amortisation and impairment	-	(1,630)	(1,630)
Carrying amounts	<u>2,359</u>	<u>1,221</u>	<u>3,580</u>
	\$'000	\$'000	\$'000
Cost			
As at 1 January 2022	2,359	2,851	5,210
Additions	29	-	29
As at 31 March 2022	<u>2,388</u>	<u>2,851</u>	<u>5,239</u>
Accumulated amortisation and impairment			
As at 1 January 2022	-	1,630	1,630
Amortisation	-	128	128
As at 31 March 2022	<u>-</u>	<u>1,758</u>	<u>1,758</u>
Carrying amounts at 31 March 2022	<u>2,388</u>	<u>1,093</u>	<u>3,481</u>

12. Share capital

	Number of shares issued '000	Share capital \$'000
Ordinary shares of no par value:		
Balance at 31 December 2021 and 31 March 2022	<u>965,865</u>	<u>86,758</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

	Number of treasury shares '000	Cost \$'000
Balance at 31 December 2021 and 31 March 2022	<u>26,422</u>	<u>13,950</u>

The Company has 26,422,407 treasury shares as at 31 March 2022 (31 March 2021: 17,579,173) and there is no subsidiary holdings as at 31 March 2022 (31 March 2021: Nil).



12. Share capital (cont'd)

	As at	
	31 Mar <u>2022</u>	31 Dec <u>2021</u>
Total number of issued shares excluding treasury shares	<u>939,442,940</u>	<u>939,442,940</u>

There were no sales, transfer, disposals, cancellation and/or use of treasury shares as at end of current financial year reported on.

13. Other financial liabilities

	Group As at		Company As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Non-current:</u>				
Bank loans	83,002	80,097	81,327	78,408
Finance leases	64	79	-	-
Non-current, total	<u>83,066</u>	<u>80,176</u>	<u>81,327</u>	<u>78,408</u>
<u>Current:</u>				
Bank loans	371	3,371	245	3,245
Finance leases	19	21	-	-
Bills payable	394	160	-	-
Current, total	<u>784</u>	<u>3,552</u>	<u>245</u>	<u>3,245</u>
Total	<u>83,850</u>	<u>83,728</u>	<u>81,572</u>	<u>81,653</u>

13A. Bank loans

	Group As at		Company As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	371	3,371	245	3,245
Amount repayable after one year	<u>83,002</u>	<u>80,097</u>	<u>81,327</u>	<u>78,408</u>

Bank loans amounting to \$7.4 million (31 December 2021: \$7.5 million) are secured by legal mortgage of the Group's properties and covered by corporate guarantee from the Company.



13. Other financial liabilities (cont'd)

13B. Finance leases

	Group As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	19	21
Amount repayable after one year	<u>64</u>	<u>79</u>

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

13C. Bills payable

	Group As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	<u>394</u>	<u>160</u>

The bills payable of the subsidiary are secured or covered by the following:

- (i) Facilities Agreement;
- (ii) Corporate guarantee by the Company;
- (iii) Jointly and severally guarantees by certain directors of the subsidiary;
- (iv) Negative pledge;
- (v) Fixed deposit; and
- (vi) Trade Financing General Agreement from the subsidiary.

The bill payables of the Group have maturity period of 90 days (2021: 90 days).

14. Categories of financial assets and liabilities

The following table categories the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

	Group As at		Company As at	
	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	31 Mar <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	69,681	77,835	88,975	94,468
At end of the period	<u>69,681</u>	<u>77,835</u>	<u>88,975</u>	<u>94,468</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	156,138	164,171	111,671	112,509
At end of period	<u>156,138</u>	<u>164,171</u>	<u>111,671</u>	<u>112,509</u>



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15. Net asset value

	Group As at		Company As at	
	31 Mar <u>2022</u>	31 Dec <u>2021</u>	31 Mar <u>2022</u>	31 Dec <u>2021</u>
Net assets value per ordinary share (cents)	<u>10.1</u>	<u>10.4</u>	<u>8.5</u>	<u>9.0</u>

The net asset value per ordinary share of the Group and the Company as at 31 March 2022 has been calculated based on the total issued number of ordinary shares excluding treasury shares of 939,442,940 (2021: 939,442,940).

16. Events after the end of the reporting period

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.



Other Information Required by Listing Rule 7.2

1. Whether the figures have been audited or reviewed and in accordance with auditing standards or practice.

The condensed interim consolidated financial statement and notes for the second quarter ended 31 March 2022 have not been reviewed / audited by the Company's auditor.

2. 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

As at 31 March 2022, the Group has 99 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, compared to 85 dental outlets, 5 medical outlets and 1 dental college as at 31 March 2021.

As at 31 March 2022, the Group has 41 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 36 dental outlets in Malaysia and 1 dental outlet in PRC as at 31 March 2021.

As at 31 March 2022 and 31 March 2021, the Group has 1 dental equipment & supplies distribution company and a Covid-19 medical laboratory company in Singapore and 1 dental equipment & supplies distribution company in Malaysia.

Revenue contribution from dental and medical clinics decreased by 2% from \$39.2 million for the three months ended 31 March 2021 ("1Q21") to \$38.6 million for the three months ended 31 March 2022 ("1Q22"). There was a decrease in patient visits and our nurses and dentists were sick due to high Covid-19 (Omicron) rates in 1Q22. The impact was substantially offset by the organic growth of opening new clinics and thereby resulting in a marginal drop of 2% only.

Revenue contribution from medical laboratory and dental equipment & supplies increased by 80% from \$4.6 million in 1Q21 to \$8.2 million in 1Q22. The increase of \$3.6 million was mainly due to revenue from the Group's medical laboratory business as well as increase in revenue generated from the equipment & supplies business in Malaysia and Singapore.



Other Gain – Net

Other gains decreased in 1Q22 due to an absence of one-time gain on disposal of Aidite in 1Q21.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used decreased by 9% from \$3.5 million in 1Q21 to \$3.2 million in 1Q22. The decrease was mainly due to a decrease in revenue from existing dental clinics in Singapore in 1Q22.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in 1Q22 was 8.2% compared to 8.9% in 1Q21.

Cost of Sales from Medical Laboratory and Dental Equipment & Supplies

The cost of sales from medical laboratory and dental equipment & supplies increased by 64% from \$2.1 million in 1Q21 to \$3.5 million in 1Q22. The increase was mainly due to the increase in revenue of the medical laboratory business.

As a percentage of revenue from medical laboratory and dental equipment & supplies, cost of sales used in medical laboratory and dental equipment & supplies in 1Q22 was 42.5% compared to 46.5% in 1Q21.

Employee Benefits Expense

Employee benefits expense, which include professional fees paid to dentists, decreased by 2% from \$24.9 million in 1Q21 to \$24.4 million in 1Q22. The decrease of \$0.5 million was mainly due to decrease in revenue from existing dental clinics in Singapore in 1Q22.

As a percentage of revenue, employee benefits expense in 1Q22 was 52.1% compared to 56.8% in 1Q21.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 29% from \$0.9 million in 1Q21 to \$1.2 million in 1Q22. The increase of \$0.3 million was mainly to higher depreciation and amortisation expense from the medical laboratory in Singapore for 1Q22 as well as higher depreciation and amortisation expense from dental clinics in Singapore in 1Q22.

As a percentage of revenue, depreciation and amortisation expense in 1Q22 was 2.5% compared to 2.0% in 1Q21.

Depreciation of Right-Of-Use (“ROU”) Assets

Depreciation of ROU assets increased by 12% from \$2.7 million in 1Q21 to \$3.1 million in 1Q22. The increase was mainly due to the increase in dental clinics in Singapore and Malaysia in 1Q22 as compared to 1Q21.



As a percentage of revenue, depreciation of ROU assets in 1Q22 was 6.5% compared to 6.2% in 1Q21.

Other Expenses

Other expenses increased by 17% from \$2.4 million in 1Q21 to \$2.8 million in 1Q22. The increase of \$0.4 million was mainly due in expenses incurred by the medical laboratory in 1Q22.

As a percentage of revenue, other expenses in 1Q22 was 6.0% compared to 5.5% in 1Q21.

Finance Costs

Finance costs decreased by 8% from \$0.8 million in 1Q21 to \$0.7 million in 1Q22. The decrease was mainly due to lower interest expense in 1Q22 as a result of lower interest rate.

As a percentage of revenue, finance costs in 1Q22 was 1.6% compared to 1.8% in 1Q21.

Share of Loss from Equity-Accounted Associate

Share of loss decreased by 65% from \$0.2 million in 1Q21 to \$0.1 million in 1Q22. The decrease was due to decrease in lower share of loss from equity-accounted associate, Aoxin Q & M.

Profit Before Tax and Net Profit After Tax

The Group's profit before tax decreased by 24% from \$10.5 million in 1Q21 to \$7.9 million in 1Q22. After excluding other gains, profit before tax increased by 28% from \$6.2 million in 1Q21 to \$7.9 million in 1Q22.

Income tax expense increased by 72% from \$0.4 million in 1Q21 to \$0.7 million in 1Q22.

After deducting provision for income tax expense of \$0.7 million, the Group's net profit decreased by 28% from \$10.1 million in 1Q21 to \$7.2 million in 1Q22. After excluding other gains, net profit increased by 25% from \$5.8 million in 1Q21 to \$7.2 million in 1Q22.

Profit after tax attributable to owners of the parent decreased by 31% from \$9.4 million for 1Q21 to \$6.5 million for 1Q22. After excluding other gains, profit after tax attributable to owners of the parent increased by 26% from \$5.2 million in 1Q21 to \$6.5 million in 1Q22.

Statement of Financial Position

As at 31 March 2022, the Group has cash and cash equivalents of \$43.5 million while bank borrowings plus finance leases amounted to \$83.9 million. As at 31 December 2021, the Group has cash and cash equivalents of \$47.6 million while bank borrowings plus finance leases amounted to \$83.7 million.



Current Assets

Cash and cash equivalents as at 31 March 2022 decreased to \$43.5 million from \$47.6 million as at 31 December 2021. The decrease of \$4.1 million was mainly due to dividend payment of \$9.4 million to shareholders, lease liabilities payment as well as purchase of plant and equipment offset by net cash generated from operations of \$14.7 million (1Q21: \$6.2 million).

Trade and other receivables as at 31 March 2022 decreased to \$23.9 million from \$27.8 million as at 31 December 2021. The decrease of \$3.9 million was mainly due to decrease in trade receivables from the medical laboratory testing business.

Other assets as at 31 March 2022 decreased to \$3.6 million from \$3.8 million as at 31 December 2021. The decrease of \$0.2 million was mainly due to the reclassification of prepaid rental to lease liabilities arising from right-of-use assets.

Non-Current Assets

The net book value of ROU assets as at 31 March 2022 decreased to \$50.6 million from \$51.7 million as at 31 December 2021. The decrease was due to depreciation of the ROU assets.

Other assets as at 31 March 2022 decreased to \$6.7 million from \$7.1 million as at 31 December 2021. The decrease of \$0.4 million was mainly due to amortisation of sign on bonus for dentists in 1Q22.

Other receivables as at 31 March 2022 decreased to \$2.2 million from \$2.4 million as at 31 December 2021. The decrease of \$0.2 million was due to the repayment of loan by the dentists to the Company.

Current Liabilities

Trade and other payables as at 31 March 2022 decreased to \$18.9 million from \$26.2 million as at 31 December 2021. The decrease of \$7.3 million was mainly due to the decrease of trade payables from the medical laboratory in Singapore as well as payment of the accrued dividends to Aoxin Q&M, an associate of the Group and the 49% owner of Acumen Diagnostics Pte. Ltd. of which the Group has 51% ownership.

Other financial liabilities as at 31 March 2022 decreased to \$0.8 million from \$3.6 million as at 31 December 2021. The decrease of \$2.8 million was mainly due to reclassification of a \$3.0 million bank loan from current liability to non-current liability offset by increase in bills payable from the dental equipment & supplies distribution company in Malaysia.

Lease liabilities from ROU assets as at 31 March 2022 decreased to \$8.8 million from \$9.9 million as at 31 December 2021. The decrease of \$1.1 million was mainly due to the expiry of leases less than one year that has yet to be renewed.

Non-Current Liabilities

Lease liabilities from ROU assets as at 31 March 2022 increased to \$44.6 million from \$44.3 million as at 31 December 2021. The increase was mainly due to opening of new dental clinics in Singapore offset by the repayment of the operating lease.



Statement of Cash Flows

The Group generated net cash flow from operating activities of \$14.7 million in 1Q22. This was mainly derived from the profit generated from operations in 1Q22.

Net cash used in investing activities in 1Q22 amounted to \$1.2 million, mainly due to purchase of plant and equipment for the existing and new dental clinics.

Net cash used in financing activities in 1Q22 was \$17.7 million, mainly due to \$9.4 million dividend payment to shareholders, \$4.9 million dividend payment to Aoxin Q&M, an associate of the Group and the 49% owner of Acument Diagnostics Pte. Ltd. of which the Group has 51% ownership and repayment of lease liabilities arising from right-of use assets.

Consequent to the above factors, the Group's cash and cash equivalents was \$43.5 million as at 31 March 2022.

3. 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 announcement.

4. 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 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

The Group has identified locations to open 6 new clinics in the subsequent quarters.

Q & M Free Dental Clinic has received its registration as a charity on 15 February 2022 under the Charities Act 1994.

- Update on the Company's Malaysia Operations

In 1Q22, the Company has opened 3 new dental clinics in Setia Alam, Selayang and Sri Damansara. The Company has identified locations to open 4 new dental clinics in Selangor and Johor in the subsequent quarters.



- Appointment of Independent Non-Executive Director

On 23 February 2022, the Company announced the appointment of Mr Tan Teck Koon (“Mr Ted Tan”) as an Independent Non-Executive Director of the Company. Currently, Mr Ted Tan is a Board of Director of SEEDS Capital Pte. Ltd., Chairman of IPI, Board Member of Intellectual Property Office of Singapore, Independent Non-Executive Director of China Life Insurance (Singapore) Pte. Ltd. as well as a Committee Member of Committee for Private Education, SkillsFuture Singapore.

Future Plans

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

- Expansion of network of dental clinics in Singapore and Malaysia

Currently, the Group operates 99 clinics in Singapore. The Group will be focusing on its operations in Singapore and has initiated a strategy of intensive organic growth of 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) guided clinical decision support system 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 high-value specialist dental healthcare services to its patients.

Currently, the Group operates 41 clinics in Malaysia. The Group has 16 dental clinics in Johor, 9 dental clinics in Kuala Lumpur, 11 dental clinics in Selangor, 4 dental clinics in Melaka and 1 dental clinic in Negeri Sembilan.

The Group intends to open at least 30 dental clinics a year in Singapore and Malaysia for the next 10 years commencing from 2021. 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 dental business to Southeast Asian countries.

- Medical Laboratory

The Group will focus on rolling out its clinical testing laboratory pipeline of new tests including PCR assays for dengue sepsis and identification of bacterial pathogens and their associated antibiotics resistance in pneumonia and bloodstream infections.



5. 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)	0.4 cent 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	First Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share
Tax Rate	One Tier Tax Exempt

(c) The date the dividend is payable.

The dividend will be paid on 3 June 2022.

(d) Book closure date

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 25 May 2022 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 24 May 2022 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 24 May 2022 will be entitled to the payment of the interim dividend.

6. If no dividend has been declared (recommended), a statement to the effect.

Not applicable.

7. 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 the effect.

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



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8. 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 officers under Rule 720 (1) of the Listing Manual.

9. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned directors, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company that may render the condensed interim financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Ng Chin Siau
Group CEO & Executive Director

Dr Ang Ee Peng Raymond
Group COO & Executive Director

11 May 2022