



Condensed Financial Statement Announcement For The Second Quarter Ended 30 June 2022 (“2Q22”)

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

	Note	Group					
		Second Quarter			Year-To-Date		
		Q2 2022 \$'000	Q2 2021 \$'000	Change %	30/06/2022 \$'000	30/06/2021 \$'000	Change %
Revenue							
Dental and Medical Clinics		39,914	38,095	5	78,496	77,296	2
Medical Laboratory and Dental Equipment & Supplies		4,214	12,714	(67)	12,414	17,275	(28)
Total Revenue	3	44,128	50,809	(13)	90,910	94,571	(4)
Other Items of Income							
Interest Income		9	2	NM	9	3	NM
Other Items of Expense							
Consumables and Supplies Used in Dental & Medical Clinics		(3,482)	(3,409)	2	(6,651)	(6,904)	(4)
Cost of Sales - Medical Laboratory and Dental Equipment & Supplies		(2,602)	(3,956)	(34)	(6,084)	(6,079)	0
Employee Benefits Expense		(26,006)	(23,592)	10	(50,358)	(48,461)	4
Depreciation and Amortisation Expense		(1,147)	(1,024)	12	(2,305)	(1,921)	20
Depreciation of Right-Of-Use Assets		(2,925)	(2,184)	34	(5,979)	(4,914)	22
Other Expenses		(2,582)	(2,839)	(9)	(5,399)	(5,254)	3
Finance Costs	5	(805)	(776)	4	(1,531)	(1,564)	(2)
Other (Losses) Gains - Net	4	(21)	(217)	(90)	(47)	4,038	NM
Share of Loss from Equity-Accounted Associate		(417)	(181)	NM	(500)	(421)	19
Profit Before Tax from Continuing Operations		4,150	12,633	(67)	12,065	23,094	(48)
Income Tax Expense	6	(819)	(1,207)	(32)	(1,524)	(1,617)	(6)
Profit From Continuing Operations, Net of Tax		3,331	11,426	(71)	10,541	21,477	(51)
Other Comprehensive (Loss) Income:							
Exchange Differences on Translating Foreign Operations, Net of Tax		(616)	401	NM	(674)	589	NM
Other Comprehensive Income for the Period, Net of Tax		(616)	401	NM	(674)	589	NM
Total Comprehensive Income for the Period		2,715	11,827	(77)	9,867	22,066	(55)
Profit Attributable to:							
Owners of the Parent, Net of Tax		3,387	8,383	(60)	9,849	17,794	(45)
Non-Controlling Interests, Net of Tax		(56)	3,043	NM	692	3,683	(81)
Profit, Net of Tax		3,331	11,426	(71)	10,541	21,477	(51)
Total Comprehensive Income (Losses) Attributable to:							
Owners of the Parent		2,794	8,786	(68)	9,203	18,396	(50)
Non-Controlling Interests		(79)	3,041	NM	664	3,670	(82)
Total Comprehensive Income		2,715	11,827	(77)	9,867	22,066	(55)

NM: Not Meaningful



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

	Note	Group					
		Second Quarter			Year-To-Date		
		Q2 2022 \$'000	Q2 2021 \$'000	Change %	30/06/2022 \$'000	30/06/2021 \$'000	Change %
EBITDA		9,018	16,615	(46)	21,871	31,490	(31)
Earnings Per Share							
Based on the Weighted Average Number of Ordinary ^(a) Shares on Issue – Cents		0.36	0.89		1.05	1.88	
Fully Diluted Basis – Cents		0.36	0.89		1.05	1.88	

- (a) The basic EPS for the period ended 30 June 2022 and 30 June 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 944,770,340 shares respectively.



1(b) Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at		As at	
		30/06/2022	31/12/2021	30/06/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	36,181	32,604	942	918
Right-Of-Use Assets		50,738	51,716	1,187	1,295
Investment in Subsidiaries		-	-	62,043	61,943
Investment in Associates	9	26,127	27,044	33,383	33,383
Goodwill	10	56,591	56,597	-	-
Other Intangible Assets	11	3,950	3,580	-	-
Other Receivables		2,165	2,401	1,970	2,068
Other Assets		7,112	7,080	4,011	3,777
Total Non-Current Assets		182,864	181,022	103,536	103,384
Current Assets					
Inventories		15,808	15,892	-	-
Trade and Other Receivables		24,096	27,823	78,735	89,739
Other Assets		3,753	3,833	1,296	1,494
Cash and Cash Equivalents		35,248	47,611	2,567	2,661
Total Current Assets		78,905	95,159	82,598	93,894
Total Assets		261,769	276,181	186,134	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		22,703	26,006	3,952	11,961
Other Reserves, Total		(1,611)	(965)	-	-
Equity Attributable to Owners of the Parent, Total		93,900	97,849	76,760	84,769
Non-Controlling Interests		5,949	5,397	-	-
Total Equity		99,849	103,246	76,760	84,769
Non-Current Liabilities					
Provisions		776	776	-	-
Deferred Tax Liabilities		2,383	2,393	-	-
Lease Liabilities Arising from Right-Of-Use Assets		44,248	44,296	1,027	1,131
Other Financial Liabilities	13	85,169	80,176	81,216	78,408
Total Non-Current Liabilities		132,576	127,641	82,243	79,539
Current Liabilities					
Income Tax Payable		3,716	5,595	-	-
Trade and Other Payables		15,725	26,239	26,661	29,536
Lease Liabilities Arising from Right-Of-Use Assets		9,349	9,908	189	189
Other Financial Liabilities	13	554	3,552	281	3,245
Total Current Liabilities		29,344	45,294	27,131	32,970
Total Liabilities		161,920	172,935	109,374	112,509
Total Equity and Liabilities		261,769	276,181	186,134	197,278



1(c) Condensed Interim Consolidated Statement of Cash Flows

	Group			
	Second Quarter		Year-To-Date	
	Q2 2022	Q2 2021	30/06/2022	30/06/2021
	\$'000	\$'000	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>				
Profit Before Tax	4,150	12,633	12,065	23,094
Adjustments for:				
Interest Income	(9)	(2)	(9)	(3)
Interest Expense	805	776	1,531	1,564
Gain on Disposal of Plant and Equipment	(24)	(5)	(24)	(5)
Plant and Equipment Written Off	14	69	33	69
Share of Loss from Equity – Associated Associates	417	181	500	421
Gain on Disposal of interest in Associates	-	-	-	(4,373)
Depreciation of Property, Plant and Equipment and Amortisation Expense	1,147	1,024	2,305	1,921
Depreciation of Right-Of-Use Assets	2,925	2,184	5,979	4,914
Foreign Currency Translation Reserve Provision	(152)	31	(159)	47
	-	(93)	-	(108)
Operating Cash Flows Before Changes in Working Capital	9,273	16,798	22,221	27,541
Inventories	147	(1,312)	84	(1,106)
Trade and Other Receivables	(102)	(10,778)	4,176	(14,581)
Other non-financial assets	(242)	326	(68)	(202)
Trade and Other Payables	(3,148)	801	(5,615)	1,230
Net Cash Flows From Operating Activities Before Interest and Tax	5,928	5,835	20,798	12,882
Income Taxes Paid	(3,260)	(1,157)	(3,409)	(1,995)
Net Cash Flows From Operating Activities	2,668	4,678	17,389	10,887
<u>Cash Flows (Used in) From Investing Activities</u>				
Purchase of Property Plant and Equipment	(4,631)	(1,348)	(5,901)	(2,449)
Purchase of Intangible Assets	(394)	(267)	(603)	(550)
Disposal of Plant and Equipment	51	59	148	62
Other non-financial assets	(321)	135	116	(441)
Trade and Other Receivables	(63)	418	(449)	375
Increase in Investment in Associate	-	(36)	-	(420)
Proceeds from Disposal of associate, Net of Tax and Redemption of Preference Shares	-	17,002	-	17,002
Other Receivables, Non-Current	70	6	236	15
Interest Received	9	2	9	3
Net Cash Flows (Used in) From Investing Activities	(5,279)	15,971	(6,444)	13,597
<u>Cash Flows Used in Financing Activities</u>				
Lease Liabilities – Principal Portion Paid	(2,854)	(2,010)	(5,608)	(4,524)
Lease Liabilities – Interest Paid	(436)	(411)	(876)	(822)
Finance Lease Repayment	(6)	(5)	(23)	(9)
Proceeds from Finance Lease	-	-	-	75
Repayment of Bank Loans	(127)	(1,281)	(222)	(1,304)
Proceeds from Term Loan	2,400	-	2,400	10,000
Bill Payables	(394)	(372)	(160)	(563)
Interest Paid	(369)	(365)	(655)	(742)
Dividends Paid to Non-Controlling Interest*	(112)	-	(5,012)	-
Dividends Paid to Equity Owners	(3,758)	(11,809)	(13,152)	(31,492)
Net Cash Flows Used In Financing Activities	(5,656)	(16,253)	(23,308)	(29,381)



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	Group			
	Second Quarter		Year-To-Date	
	Q2 2022	Q2 2021	30/06/2022	30/06/2022
	\$'000	\$'000	\$'000	\$'000
Net (Decrease) Increase in Cash and Cash Equivalents	(8,267)	4,396	(12,363)	(4,897)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	43,515	39,479	47,611	48,772
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	35,248	43,875	35,248	43,875
Cash and Cash Equivalents at End of Period includes the following:				
Cash and Bank Balances	35,248	43,875	35,248	43,875
Cash and Cash Equivalents at End of Period	35,248	43,875	35,248	43,875

* Mainly the 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	9,867	9,203	-	9,849	-	(646)	664
Dividends Paid to Non-Controlling Interest	(112)	-	-	-	-	-	(112)
Dividends Paid (Note 7)	(13,152)	(13,152)	-	(13,152)	-	-	-
Closing Balance at 30 June 2022	99,849	93,900	86,758	22,703	(13,950)	(1,611)	5,949
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	22,066	18,396	-	17,794	-	602	3,670
Dividends Paid (Note 7)	(31,492)	(31,492)	-	(31,492)	-	-	-
Closing Balance at 30 June 2021	115,269	107,984	86,758	33,458	(10,897)	(1,335)	7,285



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	5,143	-	-	-	5,143
Dividends Paid (Note 7)	(13,152)	-	-	-	(13,152)
Closing Balance at 30 June 2022	76,760	86,758	(13,950)	-	3,952
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	13,075	-	-	-	13,075
Dividends Paid (Note 7)	(31,492)	-	-	-	(31,492)
Closing Balance at 30 June 2021	85,967	86,758	(10,897)	-	10,106



1(e) Notes to the Condensed Interim Financial Statements
30 June 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 disclose 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 30 June 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	40,039	38,161	5,820	14,105	-	-	45,859	52,266
Inter-segment sales	(125)	(66)	(1,606)	(1,391)	-	-	(1,731)	(1,457)
Total revenue	39,914	38,095	4,214	12,714	-	-	44,128	50,809
Segment results	9,279	9,582	165	7,216	(417)	(181)	9,027	16,617
Finance costs							(805)	(776)
Depreciation of plant and equipment							(1,043)	(961)
Depreciation right-of-use assets							(2,925)	(2,184)
Amortisation of intangible assets							(104)	(63)
Profit before income tax							4,150	12,633
Income tax expense							(819)	(1,207)
Profit, net of tax							3,331	11,426
Expenditure for non-current assets								
Property, plant and equipment	(4,596)	(1,230)	(35)	(118)	-	-	(4,631)	(1,348)
Other material non-cash items								
Depreciation of plant and equipment	(866)	(806)	(177)	(155)	-	-	(1,043)	(961)
Depreciation right-of-use assets	(2,855)	(2,151)	(70)	(33)	-	-	(2,925)	(2,184)
Amortisation of intangible assets	(84)	(63)	(20)	-	-	-	(104)	(63)
Finance costs	(796)	(765)	(9)	(11)	-	-	(805)	(776)
Allowance on inventories	-	-	(13)	(93)	-	-	(13)	(93)
Allowance on trade receivables	-	-	(9)	(19)	-	-	(9)	(19)



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2B(ii). Profit or loss for the 6 months ended 30 June 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	79,195	77,428	15,455	19,868	-	-	94,650	97,296
Inter-segment sales	(699)	(132)	(3,041)	(2,593)	-	-	(3,740)	(2,725)
Total revenue	78,496	77,296	12,414	17,275	-	-	90,910	94,571
Segment results	19,116	18,788	3,264	8,753	(500)	3,952	21,880	31,493
Finance costs							(1,531)	(1,564)
Depreciation of plant and equipment							(2,073)	(1,794)
Depreciation right-of-use assets							(5,979)	(4,914)
Amortisation of intangible assets							(232)	(127)
Profit before income tax							12,065	23,094
Income tax expense							(1,524)	(1,617)
Profit, net of tax							10,541	21,477
Expenditure for non-current assets								
Property, plant and equipment	(5,824)	(2,201)	(77)	(248)	-	-	(5,901)	(2,449)
Other material non-cash items								
Depreciation of plant and equipment	(1,714)	(1,563)	(359)	(231)	-	-	(2,073)	(1,794)
Depreciation right-of-use assets	(5,840)	(4,848)	(139)	(66)	-	-	(5,979)	(4,914)
Amortisation of intangible assets	(191)	(127)	(41)	-	-	-	(232)	(127)
Finance costs	(1,513)	(1,541)	(18)	(23)	-	-	(1,531)	(1,564)
Gain on deem disposal of associate	-	-	-	-	-	4,373	-	4,373
Allowance on inventories	-	-	(15)	(188)	-	-	(15)	(188)
Allowance on trade receivables	-	-	(11)	(38)	-	-	(11)	(38)



2C. Assets and reconciliation

	As at	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment assets</u>		
Primary healthcare	201,545	200,241
Medical laboratory and dental equipment and supplies	34,097	48,896
Unallocated – investment in associates	26,127	27,044
Total	<u>261,769</u>	<u>276,181</u>

2D. Liabilities and reconciliation

	As at	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment liabilities</u>		
Primary healthcare	155,293	157,813
Medical laboratory and dental equipment and supplies	6,627	15,122
Total	<u>161,920</u>	<u>172,935</u>

2E. Geographical information

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

	3 months ended 30 Jun		6 months ended 30 Jun	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<u>Revenue</u>				
Singapore	41,020	48,000	84,445	89,316
Malaysia	2,998	2,524	6,137	4,687
China	110	285	328	568
Total	<u>44,128</u>	<u>50,809</u>	<u>90,910</u>	<u>94,571</u>

	As at	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Non-current assets</u>		
Singapore	151,850	149,153
Malaysia	4,576	4,462
China	26,438	27,407
Total	<u>182,864</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 30 Jun		6 months ended 30 Jun	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Dental, medical and medical laboratory testing services	40,237	47,706	83,390	88,517
Sales of goods	2,520	2,137	5,197	3,714
Profit guarantee income	1,161	671	1,873	1,620
Rental income	121	178	217	324
Other income	89	117	233	396
Total revenue	<u>44,128</u>	<u>50,809</u>	<u>90,910</u>	<u>94,571</u>

4. Other gains and (other losses)

	3 months ended 30 Jun		6 months ended 30 Jun	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of plant and equipment	24	5	24	5
Plant and equipment written off	(14)	(69)	(33)	(69)
Foreign exchange translation loss	(9)	(41)	(12)	(45)
Gain on deem disposal of associate	-	-	-	4,373
Impairment allowance on other receivables – loss	(9)	(19)	(11)	(38)
Impairment allowance on inventories	(13)	(93)	(15)	(188)
Net	<u>(21)</u>	<u>(217)</u>	<u>(47)</u>	<u>4,038</u>

5. Finance costs

	3 months ended 30 Jun		6 months ended 30 Jun	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Interest on borrowings	369	365	655	742
Interest on lease liabilities	436	411	876	822
Net	<u>805</u>	<u>776</u>	<u>1,531</u>	<u>1,564</u>



6. Income tax expense

Components of tax expense recognised in profit or loss include:

	3 months ended 30 Jun		6 months ended 30 Jun	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Current tax expense:</u>				
Current tax expense	730	1,070	1,400	1,499
Under adjustments in respect of prior periods	97	138	130	128
Subtotal	<u>827</u>	<u>1,208</u>	<u>1,530</u>	<u>1,627</u>
<u>Deferred tax expense (income):</u>				
Deferred tax income	(11)	(11)	(21)	(21)
Under adjustments in respect of prior periods	3	10	15	11
Subtotal	<u>(8)</u>	<u>(1)</u>	<u>(6)</u>	<u>(10)</u>
Total income tax expense	<u>819</u>	<u>1,207</u>	<u>1,524</u>	<u>1,617</u>

7. Dividends on equity shares

	Group	
	30 Jun <u>2022</u> \$'000	30 Jun <u>2021</u> \$'000
Second interim tax exempt dividend paid of \$0.025 with respect of FY2020	-	19,683
Final tax exempt dividend paid of \$0.005 with respect of FY2020	-	3,936
First interim tax exempt dividend paid of \$0.010 with respect of 1Q2021	-	7,873
Fourth interim tax exempt dividend paid of \$0.01 with respect of FY2021	9,394	-
First interim tax exempt dividend paid of \$0.04 with respect of 1Q2022	3,758	-
	<u>13,152</u>	<u>31,492</u>

8. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$5,901,000 (30 June 2021: \$2,449,000) and disposed of assets amounting to \$33,000 (30 June 2021: \$69,000).



9. Investment in associates

	Group As at	
	30 Jun <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	(417)	1,023
Share of (loss) profit for the year	<u>(500)</u>	<u>(465)</u>
	<u>26,127</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 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 has an indefinite useful life is 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 30 June 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>
Cost			
As at 1 January 2022	2,359	2,851	5,210
Additions	183	420	603
As at 30 June 2022	<u>2,542</u>	<u>3,271</u>	<u>5,813</u>
Accumulated amortisation and impairment			
As at 1 January 2022	-	1,630	1,630
Amortisation	-	233	233
As at 30 June 2022	<u>-</u>	<u>1,863</u>	<u>1,863</u>
Carrying amounts at 30 June 2022	<u>2,542</u>	<u>1,408</u>	<u>3,950</u>

12. Share capital

	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
Ordinary shares of no par value:		
Balance at 31 December 2021 and 30 June 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 <u>shares</u> '000	Cost \$'000
Balance at 31 December 2021 and 30 June 2022	<u>26,422</u>	<u>13,950</u>

The Company has 26,422,407 treasury shares as at 30 June 2022 (30 June 2021: 17,579,173) and there is no subsidiary holdings as at 30 June 2022 (30 June 2021: Nil).



12. Share capital (cont'd)

	As at	
	30 Jun <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	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Non-current:</u>				
Bank loans	85,112	80,097	81,216	78,408
Finance leases	57	79	-	-
Non-current, total	<u>85,169</u>	<u>80,176</u>	<u>81,216</u>	<u>78,408</u>
<u>Current:</u>				
Bank loans	534	3,371	281	3,245
Finance leases	20	21	-	-
Bills payable	-	160	-	-
Current, total	<u>554</u>	<u>3,552</u>	<u>281</u>	<u>3,245</u>
Total	<u>85,723</u>	<u>83,728</u>	<u>81,497</u>	<u>81,653</u>

13A. Bank loans

	Group As at		Company As at	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	534	3,371	281	3,245
Amount repayable after one year	<u>85,112</u>	<u>80,097</u>	<u>81,216</u>	<u>78,408</u>

Bank loans amounting to \$9.7 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	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	20	21
Amount repayable after one year	<u>57</u>	<u>79</u>

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

13C. Bills payable

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

The bills payable of the Group 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 bills 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	
	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	30 Jun <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>61,509</u>	<u>77,835</u>	<u>83,272</u>	<u>94,468</u>
At end of the period	<u>61,509</u>	<u>77,835</u>	<u>83,272</u>	<u>94,468</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<u>155,045</u>	<u>164,171</u>	<u>109,374</u>	<u>112,509</u>
At end of period	<u>155,045</u>	<u>164,171</u>	<u>109,374</u>	<u>112,509</u>



15. Net asset value

	Group As at		Company As at	
	30 Jun <u>2022</u>	31 Dec <u>2021</u>	30 Jun <u>2022</u>	31 Dec <u>2021</u>
Net assets value per ordinary share (cents)	<u>10.0</u>	<u>10.4</u>	<u>8.2</u>	<u>9.0</u>

The net asset value per ordinary share of the Group and the Company as at 30 June 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 30 June 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 30 June 2022, the Group has 102 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, compared to 87 dental outlets, 5 medical outlets and 1 dental college as at 30 June 2021.

As at 30 June 2022, the Group has 44 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 37 dental outlets in Malaysia and 1 dental outlet in PRC as at 30 June 2021.

As at 30 June 2022 and 30 June 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 increased by 5% from \$38.1 million for the three months ended 30 June 2021 ("2Q21") to \$39.9 million for the three months ended 30 June 2022 ("2Q22"). The increase of \$1.8 million was mainly due to the organic growth of opening new dental clinics in Singapore.

Revenue contribution from medical laboratory and dental equipment & supplies decreased by 67% from \$12.7 million in 2Q21 to \$4.2 million in 2Q22. The decrease of \$8.5 million was mainly due to lower revenue contribution from the Group's medical laboratory business, with less demand for Covid-19 testing following changes in Singapore's policies in no longer requiring extensive testing, as well as the reduction on Covid tests prices to maintain competitiveness in the market.



For the first six months ended 30 June 2022 (“1H22”), revenue from dental and medical clinics increased by 2% to \$78.5 million from \$77.3 million in the previous corresponding period (“1H21”) mainly due to the same reason as given above.

For 1H22, revenue from medical laboratory and dental equipment & supplies decreased by 28% to \$12.4 million from \$17.3 million in 1H21 mainly due to the same reason as given above.

Other (Losses) Gains – Net

Other losses decreased from \$0.2 million in 2Q21 to \$21k in 2Q22 mainly due to the decrease in the allowance for impairment on inventories.

Other gains decreased in 1H22 due to an absence of one-time gain on disposal of Aidite in 1H21.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used increased minimally by 2% from \$3.4 million in 2Q21 to \$3.5 million in 2Q22, due to the increase in revenue in dental and medical clinics.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in 2Q22 was 8.7% compared to 8.9% in 2Q21.

Comparing 1H22 with 1H21, consumables and supplies used in dental and medical clinics decreased by 4% or \$0.3 million.

Cost of Sales from Medical Laboratory and Dental Equipment & Supplies

The cost of sales from medical laboratory and dental equipment & supplies decreased by 34% from \$4.0 million in 2Q21 to \$2.6 million in 2Q22. The decrease was due to the decrease 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 2Q22 was 61.7% compared to 31.1% in 2Q21.

Comparing 1H22 with 1H21, cost of sales from medical laboratory and dental equipment supplies remained constant at \$6.1 million.



Employee Benefits Expense

Employee benefits expense, which include professional fees paid to dentists, increased by 10% from \$23.6 million in 2Q21 to \$26.0 million in 2Q22. The increase of \$2.4 million was mainly due to increase in revenue from the dental clinics in Singapore and opening of new clinics in 2Q22 as well as change in accrual policy for employee bonuses and directors' fees.

As a percentage of revenue, employee benefits expense in 2Q22 was 58.9% compared to 46.4% in 2Q21.

Comparing 1H22 with 1H21, employee benefits expense increased by 4% or \$1.9 million for the same reasoning given above.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 12% from \$1.0 million in 2Q21 to \$1.1 million in 2Q22. The increase of \$0.1 million was mainly due to higher depreciation and amortisation expense from the medical laboratory in Singapore, as well as higher depreciation and amortisation expense from dental clinics in Singapore in 2Q22.

As a percentage of revenue, depreciation and amortisation expense in 2Q22 was 2.6% compared to 2.0% in 2Q21.

Comparing 1H22 with 1H21, depreciation and amortisation expense increased by 20% or \$0.4 million for the same reasons given above.

Depreciation of Right-Of-Use ("ROU") Assets

Depreciation of ROU assets increased by 34% from \$2.2 million in 2Q21 to \$2.9 million in 2Q22. The increase was mainly due to the increase in dental clinics in Singapore and Malaysia in 2Q22 as compared to 2Q21.

As a percentage of revenue, depreciation of ROU assets in 2Q22 was 6.6% compared to 4.3% in 2Q21.

Comparing 1H22 with 1H21, depreciation of ROU assets increased by 22% or \$1.1 million for the same reasons given above.

Other Expenses

Other expenses decreased by 9% from \$2.8 million in 2Q21 to \$2.6 million in 2Q22. The decrease of \$0.2 million was mainly due to reduced expenses incurred by the medical laboratory in 2Q22, as well as cost incurred in the gifting of masks exercise in 2Q21.

As a percentage of revenue, other expenses in 2Q22 was 5.9% compared to 5.6% in 2Q21.



Comparing 1H22 with 1H21, other expenses increased by 3% or \$0.1 million, mainly due to expenses incurred by the medical laboratory in Singapore.

Finance Costs

Finance costs remained at \$0.8 million for both 2Q22 and 2Q21, and remained at \$1.5 million for both 1H22 and 1H21.

As a percentage of revenue, finance costs in 2Q22 was 1.8% compared to 1.5% in 2Q21.

Share of Loss from Equity-Accounted Associate

Share of loss increased by 130% from \$0.2 million in 2Q21 to \$0.4 million in 2Q22. The increase was due to increase in higher 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 from \$12.6 million in 2Q21 to \$4.2 million in 2Q22. After excluding other gains, profit before tax decreased by 67% from \$12.9 million in 2Q21 to \$4.2 million in 2Q22.

Income tax expense decreased by 32% from \$1.2 million in 2Q21 to \$0.8 million in 2Q22.

After deducting provision for income tax expense of \$0.8 million, the Group's net profit decreased by 71% from \$11.4 million in 2Q21 to \$3.3 million in 2Q22.

Profit after tax attributable to owners of the parent decreased by 60% from \$8.4 million for 2Q21 to \$3.4 million for 2Q22.

The Group's net profit after tax decreased by 51% from \$21.5 million in 1H21 to \$10.5 million in 1H22.

Profit after tax attributable to owners of the parent decreased by 45% from \$17.8 million in 1H21 to \$9.8 million in 1H22.

Statement of Financial Position

As at 30 June 2022, the Group has cash and cash equivalents of \$35.2 million while bank borrowings plus finance leases amounted to \$85.7 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 30 June 2022 decreased to \$35.2 million from \$47.6 million as at 31 December 2021. The decrease of \$12.4 million was mainly due to dividend payment of \$18.2 million, lease liabilities payment, purchase of Kovan property, dental equipment and renovations for new clinics, offset by net cash generated from operations of \$17.4 million (1H21: \$10.9 million).

Trade and other receivables as at 30 June 2022 decreased to \$24.1 million from \$27.8 million as at 31 December 2021. The decrease of \$3.7 million was mainly due to decrease in trade receivables from the medical laboratory business.

Non-Current Assets

The net book value of property, plant and equipment as at 30 June 2022 increased to \$36.2 million from \$32.6 million as at 31 December 2021. The increase of \$3.6 million was mainly due to the purchase of clinic property in Kovan.

The net book value of ROU asset as at 30 June 2022 decreased to \$50.7 million from \$51.7 million as at 31 December 2021. The decrease of \$1.0 million was due to depreciation of the ROU assets.

Other intangible assets as at 30 June 2022 increased to \$4.0 million from \$3.6 million as at 31 December 2021. The increase of \$0.4 million was due to acquisition of intangible business assets acquired in the course of expanding Singapore dental clinics.

Current Liabilities

Trade and other payables as at 30 June 2022 decreased to \$15.7 million from \$26.2 million as at 31 December 2021. The decrease of \$10.5 million was mainly due to the decrease of trade payables from the medical laboratory in Singapore, 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, as well as payments of accrued corporate taxes.

Other financial liabilities as at 30 June 2022 decreased to \$0.6 million from \$3.6 million as at 31 December 2021. The decrease of \$3.0 million was due to reclassification of a \$3.0 million bank loan from current liability to non-current liability.

Lease liabilities from ROU assets as at 30 June 2022 decreased to \$9.3 million from \$9.9 million as at 31 December 2021. The decrease of \$0.6 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 30 June 2022 increased to \$85.2 million from \$80.2 million as at 31 December 2021. The increase of \$5.3 million was due to a new bank loan for the purchase of a clinic's property located in Kovan, as well as the reclassification of bank loan from current liability to non-current liability.



Statement of Cash Flows

The Group generated net cash flow from operating activities of \$2.7 million in 2Q22. This was mainly derived from the profit generated from operations in 2Q22 offset by income taxes paid and decrease in trade and other payables.

Net cash used in investing activities in 2Q22 amounted to \$5.3 million, mainly due to the purchase of Kovan property amounting to \$3.2 million, purchase of plant and equipment for the existing and new dental clinics.

Net cash used in financing activities in 2Q22 was \$5.7 million, mainly due to dividend payment to shareholders and repayment of lease liabilities arising from right-of use assets offset by drawdown of bank loan for purchase of Kovan property.

Consequent to the above factors, the Group's cash and cash equivalents was \$35.3 million as at 30 June 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 appropriate locations to open 2 new clinics in the subsequent quarters.

- Commitment Towards Singapore Green Plan 2030

The Group has committed to plant 150 trees, in support of the National Parks Board's One Million Trees movement. About 60 of the Group's staff planted the first 50 trees at Whampoa Park Connector in June 2022.

- Update on the Company's Malaysia Operations

In 2Q22, the Company has opened 3 new dental clinics in Cheras Selatan, Bahau and Segamat.



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 104 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 44 clinics in Malaysia. The Group has 17 dental clinics in Johor, 9 dental clinics in Kuala Lumpur, 11 dental clinics in Selangor, 4 dental clinics in Melaka and 3 dental clinics in Negeri Sembilan.

The Group intends to continue its organic growth plan. The eventual number of dental outlets will depend on available opportunities and pertinent market conditions. The increasingly tight labour market is a limiting factor.

- 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's medical laboratory will continue to progressively roll out its pipeline of new PCR tests. These include the tests for sepsis, identification of bacteria pathogens and their associated antimicrobial resistance in hospitalised pneumonia, as well as colorectal cancer screening and pharmacogenomics.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None



(b) Corresponding Period of the immediately Preceding Financial Year

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

Name of dividend	Second 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.

Not applicable.

(d) Book closure date

Not applicable.

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

No dividend has been declared or recommended for the second quarter ended 30 June 2022 as the Group is conserving cash for corporate activities and future expansion which should be internally funded in the light of rising interest rate. In Q3 and Q4, the Company will be paying down the bank loans.

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.

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
COO & Executive Director

14 August 2022