



**Condensed Financial Statement Announcement For The Third Quarter Ended 30 September 2022 (“3Q22”)**

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

	Note	Group					
		Third Quarter			Year-To-Date		
		Q3 2022 \$'000	Q3 2021 \$'000	Change %	30/09/2022 \$'000	30/09/2021 \$'000	Change %
<b>Revenue</b>							
Dental and Medical Clinics		39,217	39,320	-	117,713	116,616	1
Medical Laboratory and Dental Equipment & Supplies		3,304	18,414	(82)	15,718	35,689	(56)
<b>Total Revenue</b>	3	<b>42,521</b>	<b>57,734</b>	(26)	<b>133,431</b>	<b>152,305</b>	(12)
<b>Other Items of Income</b>							
Interest Income		-	2	NM	9	5	80
<b>Other Items of Expense</b>							
Consumables and Supplies Used in Dental & Medical Clinics		(3,492)	(3,687)	(5)	(10,143)	(10,591)	(4)
Cost of Sales - Medical Laboratory and Dental Equipment & Supplies		(2,346)	(5,607)	(58)	(8,430)	(12,025)	(30)
Employee Benefits Expense		(24,526)	(24,659)	(1)	(74,884)	(72,781)	3
Depreciation and Amortisation Expense		(1,211)	(1,104)	10	(3,516)	(3,025)	16
Depreciation of Right-Of-Use Assets		(2,961)	(2,912)	2	(8,940)	(7,826)	14
Other Expenses		(2,864)	(2,588)	11	(8,263)	(7,842)	5
Finance Costs	5	(1,170)	(685)	71	(2,701)	(2,249)	20
Other (Losses) Gains - Net	4	(9)	(129)	(93)	(56)	3,909	NM
Share of Profit (Loss) from Equity-Accounted Associate		138	313	(56)	(362)	(108)	235
<b>Profit Before Tax from Continuing Operations</b>		<b>4,080</b>	<b>16,678</b>	(76)	<b>16,145</b>	<b>39,772</b>	(59)
Income Tax Expense	6	(559)	(2,740)	(80)	(2,083)	(4,357)	(52)
<b>Profit From Continuing Operations, Net of Tax</b>		<b>3,521</b>	<b>13,938</b>	(75)	<b>14,062</b>	<b>35,415</b>	(60)
<b>Other Comprehensive (Loss) Income:</b>							
Exchange Differences on Translating Foreign Operations, Net of Tax		(621)	159	NM	(1,295)	748	NM
<b>Other Comprehensive Income for the Period, Net of Tax</b>		<b>(621)</b>	<b>159</b>	NM	<b>(1,295)</b>	<b>748</b>	NM
<b>Total Comprehensive Income for the Period</b>		<b>2,900</b>	<b>14,097</b>	(79)	<b>12,767</b>	<b>36,163</b>	(65)
<b>Profit Attributable to:</b>							
Owners of the Parent, Net of Tax		3,610	9,512	(62)	13,459	27,306	(51)
Non-Controlling Interests, Net of Tax		(89)	4,426	NM	603	8,109	(93)
<b>Profit, Net of Tax</b>		<b>3,521</b>	<b>13,938</b>	(75)	<b>14,062</b>	<b>35,415</b>	(60)
<b>Total Comprehensive Income Attributable to:</b>							
Owners of the Parent		3,015	9,667	(69)	12,218	28,063	(56)
Non-Controlling Interests		(115)	4,430	NM	549	8,100	(93)
<b>Total Comprehensive Income</b>		<b>2,900</b>	<b>14,097</b>	(79)	<b>12,767</b>	<b>36,163</b>	(65)

NM: Not Meaningful



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

	Note	Group					
		Third Quarter			Year-To-Date		
		Q3 2022 \$'000	Q3 2021 \$'000	Change %	30/09/2022 \$'000	30/09/2021 \$'000	Change %
<b>EBITDA</b>		9,422	21,377	(56)	31,293	52,867	(41)
<b>Earnings Per Share</b>							
Based on the Weighted Average Number of Ordinary <sup>(a)</sup> Shares on Issue – Cents		0.38	1.01		1.43	2.89	
Fully Diluted Basis – Cents		0.38	1.01		1.43	2.89	

- (a) The basic EPS for the period ended 30 September 2022 and 30 September 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.

	Note	Group					
		Third Quarter			Year-To-Date		
		Q3 2022 \$'000	Q3 2021 \$'000	Change %	30/09/2022 \$'000	30/09/2021 \$'000	Change %
<b>Core Healthcare Business<sup>(b)</sup>:</b>							
Revenue		42,203	41,399	2	125,932	122,455	3
PATMI <sup>(c) (d)</sup>		4,257	5,147	(17)	13,691	14,220	(4)
EBITDA		10,065	10,513	(4)	30,418	29,108	5

- (b) Core Healthcare Business excludes contributions from the Group's medical laboratory, share of profit from associate, Aidite and expenses incurred on the development of the Group's digital Artificial Intelligence (AI) guided clinical decision support system as well as rental rebates received from the Singapore Government.
- (c) PATMI refers to profit after tax and minority interest (aka Profit attributable to the Parent)
- (d) Profit for 3Q2022 was lower due to increase in borrowing cost, higher manpower cost, 24 new clinics in Singapore and Malaysia still in their gestation period, as well as lower share of profit from associate, Aoxin Q & M.



**1(b) Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		As at		As at	
		30/09/2022	31/12/2021	30/09/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	8	36,752	32,604	903	918
Right-Of-Use Assets		50,908	51,716	1,132	1,295
Investment in Subsidiaries		-	-	62,043	61,943
Investment in Associates	9	25,859	27,044	33,383	33,383
Goodwill	10	56,586	56,597	-	-
Other Intangible Assets	11	4,497	3,580	-	-
Other Receivables		2,275	2,401	1,915	2,068
Other Assets		6,481	7,080	3,654	3,777
<b>Total Non-Current Assets</b>		<b>183,358</b>	<b>181,022</b>	<b>103,030</b>	<b>103,384</b>
<b>Current Assets</b>					
Inventories		17,515	15,892	-	-
Trade and Other Receivables		23,882	27,823	80,627	89,739
Other Assets		3,801	3,833	1,447	1,494
Cash and Cash Equivalents		36,455	47,611	5,939	2,661
<b>Total Current Assets</b>		<b>81,653</b>	<b>95,159</b>	<b>88,013</b>	<b>93,894</b>
<b>Total Assets</b>		<b>265,011</b>	<b>276,181</b>	<b>191,043</b>	<b>197,278</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owners of the Parent</b>					
Share Capital	12	86,758	86,758	86,758	86,758
Treasury Shares	12	(13,950)	(13,950)	(13,950)	(13,950)
Retained Earnings		26,313	26,006	7,449	11,961
Other Reserves, Total		(2,206)	(965)	-	-
<b>Equity Attributable to Owners of the Parent, Total</b>		<b>96,915</b>	<b>97,849</b>	<b>80,257</b>	<b>84,769</b>
Non-Controlling Interests		5,834	5,397	-	-
<b>Total Equity</b>		<b>102,749</b>	<b>103,246</b>	<b>80,257</b>	<b>84,769</b>
<b>Non-Current Liabilities</b>					
Provisions		776	776	-	-
Deferred Tax Liabilities		2,365	2,393	-	-
Lease Liabilities Arising from Right-Of-Use Assets		44,375	44,296	977	1,131
Other Financial Liabilities	13	84,985	80,176	81,042	78,408
<b>Total Non-Current Liabilities</b>		<b>132,501</b>	<b>127,641</b>	<b>82,019</b>	<b>79,539</b>
<b>Current Liabilities</b>					
Income Tax Payable		1,340	5,595	-	-
Trade and Other Payables		17,325	26,239	28,189	29,536
Lease Liabilities Arising from Right-Of-Use Assets		9,502	9,908	189	189
Other Financial Liabilities	13	1,594	3,552	389	3,245
<b>Total Current Liabilities</b>		<b>29,761</b>	<b>45,294</b>	<b>28,767</b>	<b>32,970</b>
<b>Total Liabilities</b>		<b>162,262</b>	<b>172,935</b>	<b>110,786</b>	<b>112,509</b>
<b>Total Equity and Liabilities</b>		<b>265,011</b>	<b>276,181</b>	<b>191,043</b>	<b>197,278</b>



**1(c) Condensed Interim Consolidated Statement of Cash Flows**

	Group			
	Third Quarter		Year-To-Date	
	Q3 2022	Q3 2021	30/09/2022	30/09/2021
	\$'000	\$'000	\$'000	\$'000
<b><u>Cash Flows From Operating Activities</u></b>				
Profit Before Tax	4,080	16,678	16,145	39,772
Adjustments for:				
Interest Income	-	(2)	(9)	(5)
Interest Expense	1,170	685	2,701	2,249
Gain on Disposal of Plant and Equipment	-	(5)	(24)	(10)
Plant and Equipment Written Off	60	37	93	106
Share of (Profit) Loss from Equity – Associated Associates	(138)	(313)	362	108
Gain on Disposal of interest in Associates	-	-	-	(4,373)
Impairment of Plant and Equipment (Reversal)	(27)	(17)	(27)	(17)
Depreciation of Property, Plant and Equipment and Amortisation Expense	1,211	1,104	3,516	3,025
Depreciation of Right-Of-Use Assets	2,961	2,912	8,940	7,826
Foreign Currency Translation Reserve Provision	(125)	89	(284)	136
	-	34	-	(74)
<b>Operating Cash Flows Before Changes in Working Capital</b>	<b>9,192</b>	<b>21,202</b>	<b>31,413</b>	<b>48,743</b>
Inventories	(1,707)	(338)	(1,623)	(1,444)
Trade and Other Receivables	379	(3,035)	4,555	(17,616)
Other non-financial assets	13	(251)	(55)	(453)
Trade and Other Payables	(152)	4,368	(5,767)	5,598
Net Cash Flows From Operating Activities Before Interest and Tax	<b>7,725</b>	<b>21,946</b>	<b>28,523</b>	<b>34,828</b>
Income Taxes Paid	(2,945)	(1,308)	(6,354)	(3,303)
<b>Net Cash Flows From Operating Activities</b>	<b>4,780</b>	<b>20,638</b>	<b>22,169</b>	<b>31,525</b>
<b><u>Cash Flows (Used in) From Investing Activities</u></b>				
Purchase of Property Plant and Equipment	(1,810)	(2,537)	(7,711)	(4,986)
Purchase of Intangible Assets	(648)	(539)	(1,251)	(1,089)
Disposal of Plant and Equipment	5	82	153	144
Other non-financial assets	570	(509)	686	(950)
Trade and Other Receivables	(165)	-	(614)	375
Increase in Investment in Associate	-	-	-	(420)
Proceeds from Disposal of associate, Net of Tax and Redemption of Preference Shares	-	-	-	17,002
Other Receivables, Non-Current	(110)	68	126	83
Interest Received	-	2	9	5
<b>Net Cash Flows (Used in) From Investing Activities</b>	<b>(2,158)</b>	<b>(3,433)</b>	<b>(8,602)</b>	<b>10,164</b>
<b><u>Cash Flows Used in Financing Activities</u></b>				
Lease Liabilities – Principal Portion Paid	(2,851)	(2,980)	(8,459)	(7,504)
Lease Liabilities – Interest Paid	(541)	(355)	(1,417)	(1,177)
Finance Lease Repayment	(3)	(6)	(26)	(15)
Proceeds from Finance Lease	-	-	-	75
Proceeds from Placement Shares	1,750	-	1,750	-
Repayment of Bank Loans	(64)	(65)	(286)	(1,369)
Proceeds from Term Loan	-	-	2,400	10,000
Bill Payables	923	83	763	(480)
Interest Paid	(629)	(330)	(1,284)	(1,072)
Dividends Paid to Non-Controlling Interest*	-	-	(5,012)	-
Dividends Paid to Equity Owners	-	(7,873)	(13,152)	(39,365)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(1,415)</b>	<b>(11,526)</b>	<b>(24,723)</b>	<b>(40,907)</b>



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	Group			
	Third Quarter		Year-To-Date	
	Q3 2022	Q3 2021	30/09/2022	30/09/2021
	\$'000	\$'000	\$'000	\$'000
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,207	5,679	(11,156)	782
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	35,248	43,875	47,611	48,772
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period</b>	<b>36,455</b>	<b>49,554</b>	<b>36,455</b>	<b>49,554</b>
<b>Cash and Cash Equivalents at End of Period includes the following:</b>				
Cash and Bank Balances	36,455	49,554	36,455	49,554
<b>Cash and Cash Equivalents at End of Period</b>	<b>36,455</b>	<b>49,554</b>	<b>36,455</b>	<b>49,554</b>

\* 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
<b>Group - Current Period</b>							
Opening Balance at 1 January 2022	103,246	97,849	86,758	26,006	(13,950)	(965)	5,397
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Period	12,767	12,218	-	13,459	-	(1,241)	549
Dividends Paid to Non-Controlling Interest	(112)	-	-	-	-	-	(112)
Dividends Paid (Note 7)	(13,152)	(13,152)	-	(13,152)	-	-	-
Closing Balance at 30 September 2022	102,749	96,915	86,758	26,313	(13,950)	(2,206)	5,834
<b>Group - Previous Period</b>							
Opening Balance at 1 January 2021	124,695	121,080	86,758	47,156	(10,897)	(1,937)	3,615
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Period	36,163	28,063	-	27,306	-	757	8,100
Dividends Paid (Note 7)	(39,365)	(39,365)	-	(39,365)	-	-	-
Closing Balance at 30 September 2021	121,493	109,778	86,758	35,097	(10,897)	(1,180)	11,715



**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
<b>Company - Current Period</b>					
Opening Balance at 1 January 2022	84,769	86,758	(13,950)	-	11,961
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Period	9,000	-	-	-	9,000
Dividends Paid (Note 7)	(13,512)	-	-	-	(13,512)
Closing Balance at 30 September 2022	80,257	86,758	(13,950)	-	7,449
<b>Company - Previous Period</b>					
Opening Balance at 1 January 2021	104,384	86,758	(10,897)	-	28,523
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Period	23,133	-	-	-	23,133
Dividends Paid (Note 7)	(39,365)	-	-	-	(39,365)
Closing Balance at 30 September 2021	88,152	86,758	(10,897)	-	12,291



**1(e) Notes to the Condensed Interim Financial Statements**  
**30 September 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 September from continuing operations and reconciliations**

	<u>Primary Healthcare</u>		<u>Medical Laboratory and Dental Equipment &amp; 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	39,217	39,386	4,547	19,882	-	-	43,764	59,268
Inter-segment sales	-	(66)	(1,243)	(1,468)	-	-	(1,243)	(1,534)
<b>Total revenue</b>	<b>39,217</b>	<b>39,320</b>	<b>3,304</b>	<b>18,414</b>	<b>-</b>	<b>-</b>	<b>42,521</b>	<b>57,734</b>
Segment results	9,503	9,966	(219)	11,100	138	313	9,422	21,379
Finance costs							(1,170)	(685)
Depreciation of plant and equipment							(1,109)	(985)
Depreciation right-of-use assets							(2,961)	(2,912)
Amortisation of intangible assets							(102)	(119)
Profit before income tax							4,080	16,678
Income tax expense							(559)	(2,740)
<b>Profit, net of tax</b>							<b>3,521</b>	<b>13,938</b>
<b>Expenditure for non-current assets</b>								
Property, plant and equipment	(1,799)	(1,224)	(11)	(1,313)	-	-	(1,810)	(2,537)
<b>Other material non-cash items</b>								
Depreciation of plant and equipment	(936)	(873)	(173)	(112)	-	-	(1,109)	(985)
Depreciation right-of-use assets	(2,891)	(2,864)	(70)	(48)	-	-	(2,961)	(2,912)
Amortisation of intangible assets	(82)	(63)	(20)	(56)	-	-	(102)	(119)
Finance costs	(1,162)	(678)	(8)	(7)	-	-	(1,170)	(685)
Allowance on inventories – reversal / (loss)	38	-	(6)	(95)	-	-	32	(95)
Allowance on trade receivables – reversal / (loss)	5	-	(6)	(17)	-	-	(1)	(17)
Allowance on plant and equipment – reversal	27	17	-	-	-	-	27	17



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**2B(ii). Profit or loss for the 9 months ended 30 September from continuing operations and reconciliations**

	<u>Primary Healthcare</u>		<u>Medical Laboratory and Dental Equipment &amp; 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	118,412	116,814	20,002	39,750	-	-	138,414	156,564
Inter-segment sales	(699)	(198)	(4,284)	(4,061)	-	-	(4,983)	(4,259)
<b>Total revenue</b>	<b>117,713</b>	<b>116,616</b>	<b>15,718</b>	<b>35,689</b>	<b>-</b>	<b>-</b>	<b>133,431</b>	<b>152,305</b>
Segment results	28,620	28,754	3,044	19,853	(362)	4,265	31,302	52,872
Finance costs							(2,701)	(2,249)
Depreciation of plant and equipment							(3,182)	(2,779)
Depreciation right-of-use assets							(8,940)	(7,826)
Amortisation of intangible assets							(334)	(246)
Profit before income tax							16,145	39,772
Income tax expense							(2,083)	(4,357)
<b>Profit, net of tax</b>							<b>14,062</b>	<b>35,415</b>
<b>Expenditure for non-current assets</b>								
Property, plant and equipment	(7,623)	(3,425)	(88)	(1,561)	-	-	(7,711)	(4,986)
<b>Other material non-cash items</b>								
Depreciation of plant and equipment	(2,650)	(2,436)	(532)	(343)	-	-	(3,182)	(2,779)
Depreciation right-of-use assets	(8,731)	(7,712)	(209)	(114)	-	-	(8,940)	(7,826)
Amortisation of intangible assets	(273)	(190)	(61)	(56)	-	-	(334)	(246)
Finance costs	(2,675)	(2,219)	(26)	(30)	-	-	(2,701)	(2,249)
Gain on deem disposal of associate	-	-	-	-	-	4,373	4,373	4,373
Allowance on inventories – reversal / (loss)	38	-	(21)	(283)	-	-	17	(283)
Allowance on trade receivables – reversal / (loss)	5	-	(17)	(55)	-	-	(12)	(55)
Allowance on plant and equipment – reversal	27	17	-	-	-	-	27	17



## 2C. Assets and reconciliation

	As at	
	30 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment assets</u>		
Primary healthcare	206,640	200,241
Medical laboratory and dental equipment and supplies	32,512	48,896
Unallocated – investment in associates	25,859	27,044
Total	<u>265,011</u>	<u>276,181</u>

## 2D. Liabilities and reconciliation

	As at	
	30 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Segment liabilities</u>		
Primary healthcare	156,792	157,813
Medical laboratory and dental equipment and supplies	5,470	15,122
Total	<u>162,262</u>	<u>172,935</u>

## 2E. Geographical information

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

	3 months ended 30 Sep		9 months ended 30 Sep	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<u>Revenue</u>				
Singapore	38,629	54,849	123,074	144,165
Malaysia	3,608	2,572	9,745	7,259
China	284	313	612	881
Total	<u>42,521</u>	<u>57,734</u>	<u>133,431</u>	<u>152,305</u>

	As at	
	30 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Non-current assets</u>		
Singapore	152,624	149,153
Malaysia	4,614	4,462
China	26,120	27,407
Total	<u>183,358</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 Sep		9 months ended 30 Sep	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Dental, medical and medical laboratory testing services	38,926	54,987	122,316	143,504
Sales of goods	2,976	2,058	8,173	5,772
Profit guarantee income	407	381	2,280	2,001
Rental income	126	111	343	435
Other income	86	197	319	593
Total revenue	<u>42,521</u>	<u>57,734</u>	<u>133,431</u>	<u>152,305</u>

### 4. Other gains and (other losses)

	3 months ended 30 Sep		9 months ended 30 Sep	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of plant and equipment	-	5	24	10
Plant and equipment written off	(60)	(37)	(93)	(106)
Foreign exchange translation loss	(7)	(2)	(19)	(47)
Gain on deem disposal of associate	-	-	-	4,373
Impairment allowance on other receivables – loss	(1)	(17)	(12)	(55)
Impairment allowance on plant and equipment – reversal	27	17	27	17
Impairment allowance on inventories – reversal (loss)	32	(95)	17	(283)
Net	<u>(9)</u>	<u>(129)</u>	<u>(56)</u>	<u>3,909</u>

### 5. Finance costs

	3 months ended 30 Sep		9 months ended 30 Sep	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Interest on borrowings	629	330	1,284	1,072
Interest on lease liabilities	541	355	1,417	1,177
Net	<u>1,170</u>	<u>685</u>	<u>2,701</u>	<u>2,249</u>



## 6. Income tax expense

### Components of tax expense recognised in profit or loss include:

	3 months ended 30 Sep		9 months ended 30 Sep	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Current tax expense:</u>				
Current tax expense	567	3,049	1,967	4,549
Under (over) adjustments in respect of prior periods	3	(62)	133	65
Subtotal	<u>570</u>	<u>2,987</u>	<u>2,100</u>	<u>4,614</u>
<u>Deferred tax (income) expense:</u>				
Deferred tax income	(11)	(11)	(32)	(32)
Under (over) adjustments in respect of prior periods	-	(236)	15	(225)
Subtotal	<u>(11)</u>	<u>(247)</u>	<u>(17)</u>	<u>(257)</u>
Total income tax expense	<u>559</u>	<u>2,740</u>	<u>2,083</u>	<u>4,357</u>

## 7. Dividends on equity shares

	Group	
	30 Sep <u>2022</u>	30 Sep <u>2021</u>
	\$'000	\$'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
Second interim tax exempt dividend paid of \$0.010 with respect of 2Q2021	-	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>39,365</u>

## 8. Property, plant and equipment

During the nine months ended 30 September 2022, the Group acquired assets amounting to \$7,711,000 (30 September 2021: \$4,986,000) and disposed of assets amounting to \$93,000 (30 September 2021: \$106,000).



## 9. Investment in associates

	30 Sep 2022 \$'000	Group As at 31 Dec 2021 \$'000
Movements in carrying value:		
Balance at beginning of the year	27,044	43,743
Additions <sup>(ii)</sup>	-	420
Disposals <sup>(i)</sup>	-	(12,623)
Dilution <sup>(iii)</sup>	-	(5,054)
Foreign currency translation adjustment	(823)	1,023
Share of (loss) profit for the year	(362)	(465)
	25,859	27,044

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

<sup>(ii)</sup> 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).

<sup>(iii)</sup> 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 September 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	781	470	1,251
As at 30 September 2022	<u>3,140</u>	<u>3,321</u>	<u>6,461</u>
Accumulated amortisation and impairment			
As at 1 January 2022	-	1,630	1,630
Amortisation	-	334	334
As at 30 September 2022	<u>-</u>	<u>1,964</u>	<u>1,964</u>
Carrying amounts at 30 September 2022	<u>3,140</u>	<u>1,357</u>	<u>4,497</u>

## 12. Share capital

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

The Company has 26,422,407 treasury shares as at 30 September 2022 (30 September 2021: 21,095,007) and there is no subsidiary holdings as at 30 September 2022 (30 September 2021: Nil).





## 12. Share capital (cont'd)

	As at	
	30 Sep 2022 '000	31 Dec 2021 '000
Total number of issued shares excluding treasury shares	939,443	939,443

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 Sep 2022 \$'000	31 Dec 2021 \$'000	30 Sep 2022 \$'000	31 Dec 2021 \$'000
<u>Non-current:</u>				
Bank loans	84,931	80,097	81,042	78,408
Finance leases	54	79	-	-
Non-current, total	<u>84,985</u>	<u>80,176</u>	<u>81,042</u>	<u>78,408</u>
<u>Current:</u>				
Bank loans	651	3,371	389	3,245
Finance leases	20	21	-	-
Bills payable	923	160	-	-
Current, total	<u>1,594</u>	<u>3,552</u>	<u>389</u>	<u>3,245</u>
Total	<u>86,579</u>	<u>83,728</u>	<u>81,431</u>	<u>81,653</u>

### 13A. Bank loans

	Group As at		Company As at	
	30 Sep 2022 \$'000	31 Dec 2021 \$'000	30 Sep 2022 \$'000	31 Dec 2021 \$'000
Amount repayable within one year	651	3,371	389	3,245
Amount repayable after one year	<u>84,931</u>	<u>80,097</u>	<u>81,042</u>	<u>78,408</u>

Bank loans amounting to \$9.6 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 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	20	21
Amount repayable after one year	<u>54</u>	<u>79</u>

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

**13C. Bills payable**

	Group As at	
	30 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
Amount repayable within one year	<u>923</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 (31 December 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 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000	30 Sep <u>2022</u> \$'000	31 Dec <u>2021</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>62,612</u>	<u>77,835</u>	<u>88,481</u>	<u>94,468</u>
At end of the period	<u>62,612</u>	<u>77,835</u>	<u>88,481</u>	<u>94,468</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<u>157,781</u>	<u>164,171</u>	<u>110,786</u>	<u>112,509</u>
At end of period	<u>157,781</u>	<u>164,171</u>	<u>110,786</u>	<u>112,509</u>



**15. Net asset value**

	Group As at		Company As at	
	30 Sep <u>2022</u>	31 Dec <u>2021</u>	30 Sep <u>2022</u>	31 Dec <u>2021</u>
Net assets value per ordinary share (cents)	<u>10.3</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 30 September 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**

On 29 September 2022, the Company announced the proposed placement of 4,985,755 treasury shares at \$0.351 per share amounting to \$1,750,000 in the capital of the Company to 7 of the key dentists of the Group. These shares were subsequently issued on 20 October 2022.

On 29 September 2022, the Company has granted share awards to 7 key dentists of the Group by the allotment and issuance of 2,014,245 ordinary shares at \$0.33 per share amounting to \$664,701 from the treasury shares of the Company pursuant to the Q & M Performance Share Plan 2018. These shares were subsequently issued on 20 October 2022.



## **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 third quarter ended 30 September 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 September 2022, the Group has 106 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, compared to 90 dental outlets, 5 medical outlets and 1 dental college as at 30 September 2021.

As at 30 September 2022, the Group has 45 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 September 2021.

As at 30 September 2022 and 30 September 2021, the Group has 1 dental equipment & supplies distribution company and a medical laboratory company in Singapore and 1 dental equipment & supplies distribution company in Malaysia.

The revenue contribution from dental and medical clinics was at \$39.2 million for the three months ended 30 September 2022 ("3Q22"), at about the same level for the three months ended 30 September 2021 ("3Q21").

The revenue contribution from medical laboratory and dental equipment & supplies decreased by 82% from \$18.4 million in 3Q21 to \$3.3 million in 3Q22. The decrease of \$15.1 million was mainly due to lower revenue contribution from the Group's medical laboratory business, with less demand for Covid-19 testing in Singapore after the opening of the Singapore economy which no longer requiring extensive Covid-19 testing, as well as the reduction on Covid tests prices to maintain competitiveness in the market.



Comparing 9 months ended 30 September 2022 with 30 September 2021, revenue contribution from dental and medical clinics increased by 1% or \$1.1 million which was mainly due to increase in revenue from the dental clinics in Malaysia as well as the organic growth of opening new dental clinics in Singapore.

Comparing 9 months ended 30 September 2022 with 30 September 2021, revenue from medical laboratory and dental equipment & supplies decreased by 56% or \$20 million which was mainly due to the same reason as given above.

#### **Other (Losses) Gains – Net**

Other losses decreased from \$0.1 million in 3Q21 to \$9k in 3Q22 mainly due to the decrease in the allowance for impairment on inventories.

Comparing 9 months ended 30 September 2022 with 30 September 2021, other gains decreased 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 decreased by 5% from \$3.7 million in 3Q21 to \$3.5 million in 3Q22.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in 3Q22 was 8.9% compared to 9.4% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, consumables and supplies used in dental and medical clinics decreased by 4% or \$0.4 million.

##### Cost of Sales from Medical Laboratory and Dental Equipment & Supplies

The cost of sales from medical laboratory and dental equipment & supplies decreased by 58% from \$5.6 million in 3Q21 to \$2.3 million in 3Q22. 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 3Q22 was 71.0% compared to 30.4% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, cost of sales from medical laboratory and dental equipment & supplies decreased by 30% or \$3.6 million for the same reason given above.



### Employee Benefits Expense

Employee benefits expense, which include professional fees paid to dentists, decreased by 1% from \$24.7 million in 3Q21 to \$24.5 million in 3Q22. The decrease of \$0.2 million was mainly due to decrease in headcount for the medical laboratory offset by increase in manpower cost in core healthcare business.

As a percentage of revenue, employee benefits expense in 3Q22 was 57.7% compared to 42.7% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, employee benefits expense increased by 3% or \$2.1 million which was due to increase in revenue from opening of new dental clinics in Singapore as well as change in accrual policy for employee bonuses and directors' fees off set by the decrease in headcount for the medical laboratory.

### Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 10% from \$1.1 million in 3Q21 to \$1.2 million in 3Q22. 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 3Q22.

As a percentage of revenue, depreciation and amortisation expense in 3Q22 was 2.8% compared to 1.9% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, depreciation and amortisation expense increased by 16% or \$0.5 million for the same reasons given above.

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

Depreciation of ROU assets increased by 2% from \$2.9 million in 3Q21 to \$3.0 million in 3Q22. The increase was mainly due to the increase in dental clinics in Singapore and Malaysia in 3Q22 as compared to 3Q21.

As a percentage of revenue, depreciation of ROU assets in 3Q22 was 7.0% compared to 5.0% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, depreciation of ROU assets increased by 14% or \$1.1 million for the same reasons given above.

### Other Expenses

Other expenses increased by 11% from \$2.6 million in 3Q21 to \$2.9 million in 3Q22. The increase of \$0.3 million was mainly due to the increase in repair and maintenance fees of the Group in 3Q22.

As a percentage of revenue, other expenses in 3Q22 was 6.7% compared to 4.5% in 3Q21.



Comparing 9 months ended 30 September 2022 with 30 September 2021, other expenses increased by 5% or \$0.4 million, mainly due to higher other expenses incurred by the medical laboratory in Singapore in 1H22.

#### Finance Costs

Finance costs increased by 71% from \$0.7million in 3Q21 to \$1.2 million in 3Q22. The increase of \$0.5 million was due to higher interest expense in 3Q22 as a result of higher interest rate as well as higher ROU interest as a result of opening more dental clinics.

As a percentage of revenue, finance costs in 3Q22 was 2.8% compared to 1.2% in 3Q21.

Comparing 9 months ended 30 September 2022 with 30 September 2021, finance costs increased by 20% or \$0.5 million for the same reasons above.

#### Share of Profit from Equity-Accounted Associate

Share of profit decreased by 56% from \$0.3 million in 3Q21 to \$0.1 million in 3Q22. The decrease was due to lower share of profit from equity-accounted associate, Aoxin Q & M.

#### Share of Loss from Equity-Accounted Associate

Comparing 9 months ended 30 September 2022 with 30 September 2021, share of loss increased by \$0.3 million. The increase was due to 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 \$16.7 million in 3Q21 to \$4.1 million in 3Q22. After deducting provision for income tax expense of \$0.6 million, the Group's net profit decreased from \$13.9 million in 3Q21 to \$3.5 million in 3Q22.

Profit after tax attributable to owners of the parent decreased from \$9.5 million for 3Q21 to \$3.6 million for 3Q22.

Comparing 9 months ended 30 September 2022 with 30 September 2021, the Group's net profit after tax decreased by 60% to \$14.1 million.

Comparing 9 months ended 30 September 2022 with 30 September 2021, profit after tax attributable to owners of the parent decreased by 51% to \$13.5 million.

#### **Statement of Financial Position**

As at 30 September 2022, the Group has cash and cash equivalents of \$36.5 million while bank borrowings plus finance leases amounted to \$86.6 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 September 2022 decreased to \$36.5 million from \$47.6 million as at 31 December 2021. The decrease of \$11.1 million was mainly due to dividend payment of \$18.2 million, purchase of Kovan property, dental equipment and renovations for new clinics, offset by net cash generated from operations of \$22.2 million (9 months ended 30 September 2021: \$31.5 million).

Trade and other receivables as at 30 September 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 business.

Inventories as at 30 September 2022 increased to \$17.5 million from \$15.9 million as at 31 December 2021. The increase of \$1.6 million was mainly due to increase in inventories from the dental equipment & supplies distribution companies in Singapore and Malaysia.

### **Non-Current Assets**

The net book value of property, plant and equipment as at 30 September 2022 increased to \$36.8 million from \$32.6 million as at 31 December 2021. The increase of \$4.2 million was mainly due to the purchase of clinic property in Kovan.

The net book value of ROU asset as at 30 September 2022 decreased to \$50.9 million from \$51.7 million as at 31 December 2021. The decrease of \$0.8 million was due to depreciation of the ROU assets off set by recognition of new ROU asset due the opening of new clinics.

Other intangible assets as at 30 September 2022 increased to \$4.5 million from \$3.6 million as at 31 December 2021. The increase of \$0.9 million was due to acquisition of intangible business assets acquired in the course of expanding Singapore dental clinics as well as the cost of developing the Artificial Intelligence (AI) guided clinical decision support system.

### **Current Liabilities**

Trade and other payables as at 30 September 2022 decreased to \$17.3 million from \$26.2 million as at 31 December 2021. The decrease of \$8.9 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 September 2022 decreased to \$1.6 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 off set by increase in bill payables from the dental equipment & supplies distribution company in Malaysia.

Lease liabilities from ROU assets as at 30 September 2022 decreased to \$9.5 million from \$9.9 million as at 31 December 2021. The decrease of \$0.4 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 September 2022 increased to \$85.0 million from \$80.2 million as at 31 December 2021. The increase of \$4.8 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 \$4.8 million in 3Q22. This was mainly derived from the operating cash flows generated from operations offset by income taxes paid and increase in inventories in 3Q22.

Net cash used in investing activities in 3Q22 amounted to \$2.2 million, mainly due to purchase of plant and equipment for the existing and new dental clinics and acquisition of intangible business assets in the course of expanding Singapore dental clinics as well as the cost of developing the Artificial Intelligence (AI) guided clinical decision support system.

Net cash used in financing activities in 3Q22 was \$1.4 million, mainly due to repayment of lease liabilities arising from right-of use assets offset by proceeds from placement shares.

Consequent to the above factors, the Group's cash and cash equivalents was \$36.5 million as at 30 September 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.



- Group's 7 Key Dentists Rewarded with Performance Shares and Signed 12-Years Service Agreements, with Private Placement

On 29 September 2022, the Group announced the awarded of 2,014,245 shares to 7 promising next-generation dentists as part of the Q & M Performance Share Plan ("PSP") 2018, as well as the proposed placement of an additional 4,985,755 treasury shares, totalling \$1,750,000, through placement to the same dentists. The PSP 2018 and proposed placement shares had been completed on 20 October 2022.

- Group's Medical Laboratory Wins Ministry of Health ("MOH") Tender for Operation of a Joint Testing and Vaccination Center ("JTVC")

On 11 October 2022, the Group announced that the Group's 51% owned subsidiary, Acumen Diagnostics Pte. Ltd. ("Acumen") recently won a Singapore MOH tender for the operation of one of the sites allocated for JTVC. The operation of JTVCS by the private medical sector is part of the Government's policy and efforts to provide the public with efficient and convenient access to COVID-19 booster shot vaccination.

Acumen's 15-months contract commences on 1 October 2022 and ends on 31 December 2023, with actual operations starting from 2 November 2022. The value of the contract over the period is estimated to be worth at least \$3.6 million.

- Update on the Company's Malaysia Operations

In 3Q22, the Company has opened 1 new dental clinic in Rawang.

## **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 106 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 45 clinics in Malaysia. The Group has 17 dental clinics in Johor, 9 dental clinics in Kuala Lumpur, 12 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 for various purposes. 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	Third Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.0 Cents 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 third quarter ended 30 September 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 Q4, the Company will continue to pay down the bank loans.



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

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**

**13 November 2022**