



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

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**ANNOUNCEMENT PURSUANT TO RULE 704(6) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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The board of directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 31 December 2022 (“**FY2022**”) released on 1 March 2023 (the “**Unaudited Results**”).

Pursuant to the Rule 704(6) of Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight that there are material variances between the Unaudited Results and the audited financial statements for FY2022 (“**Audited Results**”).

A comparison of the Audited Results and Unaudited Results with the relevant explanatory notes are set out in Appendix A as annexed hereto.

We wish to summarise that the variances are at Company level only and that there is no variance at the Group level.

**BY ORDER OF THE BOARD**

Q & M Dental Group (Singapore) Limited

Ng Sook Hwa  
Chief Financial Officer  
8 April 2023



**Appendix A**

**(a) Statements of Financial Position**

	<u>The Company</u>		<b>Variance</b>	<b>Note</b>
	<u>As at 31 December 2022</u>			
	<b>Unaudited</b>	<b>Audited</b>	<b>\$'000</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
<b>Assets</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	989	989		
Right-of-use assets	1,582	1,582		
Investment in subsidiaries	61,438	61,438		
Investment in associates	33,383	25,912	(7,471)	1
Other receivables	1,835	1,835		
Other assets	4,163	4,163		
<b>Total non-current assets</b>	<b>103,390</b>	<b>95,919</b>	<b>(7,471)</b>	
<b><u>Current assets</u></b>				
Trade and other receivables	81,417	88,517	7,100	2
Other assets	1,538	1,538		
Cash and cash equivalents	5,834	5,834		
<b>Total current assets</b>	<b>88,789</b>	<b>95,889</b>	<b>7,100</b>	
<b>Total assets</b>	<b>192,179</b>	<b>191,808</b>	<b>(371)</b>	
<b>Equity and liabilities</b>				
<b><u>Equity attributable to owners of the parent</u></b>				
Share capital	86,758	86,758		
Treasury shares	(11,535)	(11,535)		
Retained earnings	6,902	6,531	(371)	1 & 2
<b>Equity attributable to owners of the parent</b>	<b>82,125</b>	<b>81,754</b>	<b>(371)</b>	
Non-controlling interests	-	-		
<b>Total equity</b>	<b>82,125</b>	<b>81,754</b>	<b>(371)</b>	
<b><u>Non-current liabilities</u></b>				
Lease liabilities	1,427	1,427		
Other financial liabilities	80,620	80,620		
<b>Total non-current liabilities</b>	<b>82,047</b>	<b>82,047</b>		
<b><u>Current liabilities</u></b>				
Lease liabilities	201	201		
Trade and other payables	27,560	27,560		
Other financial liabilities	246	246		
<b>Total current liabilities</b>	<b>28,007</b>	<b>28,007</b>		
<b>Total liabilities</b>	<b>110,054</b>	<b>110,054</b>		
<b>Total equity and liabilities</b>	<b>192,179</b>	<b>191,808</b>	<b>(371)</b>	



## **Appendix A**

### **Notes**

1. The carrying value of the investment in associate, Aoxin Q & M Dental Group Limited ("Aoxin Q & M") was tested for impairment as at 31 December 2022 due to the substantial decline in the fair value of its shares.

The impairment test was carried out using a discounted cash flow model covering a 5-year period. Cash flows projections are based on the next five-year budgets and plans approved by management. Cash flows projections beyond that five-year period have been extrapolated on the basis of a 3% terminal growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. The discounted rate applied (weighted average cost of capital "WACC" gross of tax effect) is 11.5%.

Accordingly, the carrying amount of the Company's cost of investment in Aoxin Q & M has been reduced to its recoverable amount through a recognition of impairment loss of \$7,471,000 against the cost of investment. No impairment was recognised at the Group level.

2. Dividend income receivables from subsidiaries of the Company.