



全民
Q&M

Q & M Dental Group (Singapore) Limited



忠
Loyalty

信
Truthfulness



礼
Respect



义
Righteousness



廉
Integrity

ANNUAL REPORT | 2022



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CORPORATE PHILOSOPHY, VISION AND PURPOSE

Central to our corporate vision of being the leading private dental healthcare group in the region, Q & M derives its corporate values and purpose from the Confucian teachings of 修身齐家治国平天下.

Confucius teaches that the role of the individual – the sincerity of one's heart, desires, and motivation for knowledge, forms the basis of achieving enduring peace in the world. Once the individual embodies sincerity in all aspects of his life, to cultivate goodness and reject evil, he will then be able to align his family and home with these values. When the home is in order, the country and the rest of the world will also be in harmony and peace.

Similarly, Q & M will continue to thrive as long as each individual within the Group strives for knowledge, continual improvement and excellence, allowing one to achieve order in every aspect of their work and lives. Through teamwork, each business unit and division align with the corporate objectives to form a united Q & M family. Likewise, Q & M consciously aligns its corporate and stakeholders' interests, to achieve greater peace, harmony and well-being for all. To put these values in practice, we strive to ensure that our dental professionals practice in an ethical manner, each protocol or treatment plan benefits our patients (修身); doctors and support staff treat one another with mutual respect and are all governed by this philosophy (齐家). Only then, can we work together as a team (治国) to serve our patients (平天下). Together, we will build the Q & M brand to be synonymous with quality, excellence and value.

修身

- Improving oneself

齐家

- Unity and alignment of the Q & M family

治国

- Corporate and stakeholders' interests are aligned – the Q & M family complies with the rules and regulations set out by the relevant authorities as well as Q & M's internal protocols

平天下

- Everyone is well-treated, including patients, doctors, nurses, management and shareholders
- Peace and harmony



愿景
VISION

成为区域内牙科医疗领域的领导者
To be the leading
Dental Healthcare
Group in the Region



公司宗旨
CORPORATE
PURPOSE

以可持续的方式提供牙科服务
To provide dental
services in a
sustainable manner



OUR VALUES

忠 Loyalty

Cultivate loyalty among Q & M family, to further enhance our people's engagement and participation level (齐家)

信 Truthfulness

To have trust among colleagues, work as a team and making sure all information conveyed to patient is true and accurate (治国)

礼 Respect

To foster a sense of respect among Q & M staff and all stakeholders, ensuring physical and psychological well-being (修身)

义 Righteousness

To foster strong ties with everyone, always keep the company in mind throughout our day-to-day decision-making processes (齐家)

廉 Integrity

To have strong sense of ethics and morals in daily operation (修身)

CORPORATE PROFILE

Q & M Dental Group (Singapore) Limited (QC7.SI) (“Q & M” or together with its subsidiaries, the “Group”) is a leading private dental healthcare group in Asia.

Q & M owns the largest network of private dental outlets in Singapore, operating 107 dental outlets across the country. Underpinned by about 270 experienced dentists and over 350 supporting staff, the Group sees an average of 42,000 patient visits a month in Singapore. The Group also operates 5 medical clinics and a dental supplies and equipment distribution company.

Outside of Singapore, the Group has 44 dental clinics and a dental supplies and equipment distribution company in Malaysia, as well as a dental clinic in the People’s Republic of China (“PRC”). Q & M is also the substantial shareholder of Aoxin Q & M Dental Group Limited (SGX:1D4), a dental group listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX- ST”) that operates dental clinics and hospitals primarily in the north-eastern region of the PRC. The Group aims to expand its operations geographically and vertically through the value chain in Malaysia, the PRC and potentially within the ASEAN region.

In 2019, Q & M founded the Q & M College of Dentistry (“College”), which offers postgraduate dental education to support the ongoing education and professional development of dentists. The College offers Singapore’s first private postgraduate diploma program in clinical dentistry.

In 2020, the Group expanded into the medical laboratories and research industry with the strategic investment into Acumen Diagnostics Pte. Ltd. (“Acumen”). In the past few years, Acumen played an important role in the nation’s fight against Covid-19, as one of the few licensed medical laboratories for Covid-19 diagnostics in Singapore. Moving on from Covid-19, the diagnostic laboratory is currently focused on commercializing its panel of PCR-based diagnostic testing for conditions such as sepsis, human papillomavirus (HPV) and colon cancer for the private sector clinics and hospitals in Singapore.

EM2AI Pte. Ltd. (“EM2AI”), a wholly-owned subsidiary of the Group that focuses on developing Artificial Intelligence (“AI”) powered solutions, has rolled out a cloud-based Integrated Dental Management System (“IDMS”) that facilitates patients and clinic management in an efficient way. A Q & M Patient App integrated with IDMS is also being developed to enhance patients’ experience. From October 2022, EM2AI had also deployed its AI Detection module throughout the Group’s dental clinics in Singapore and Malaysia. In addition, the AI-Guided Ethical Clinical Decision Support System is currently undergoing trials by selected dentists of the Group.

The Group was listed on the Mainboard of the SGX- ST on 26 November 2009.

For more information on the Group, please visit: www.QandMDental.com.sg

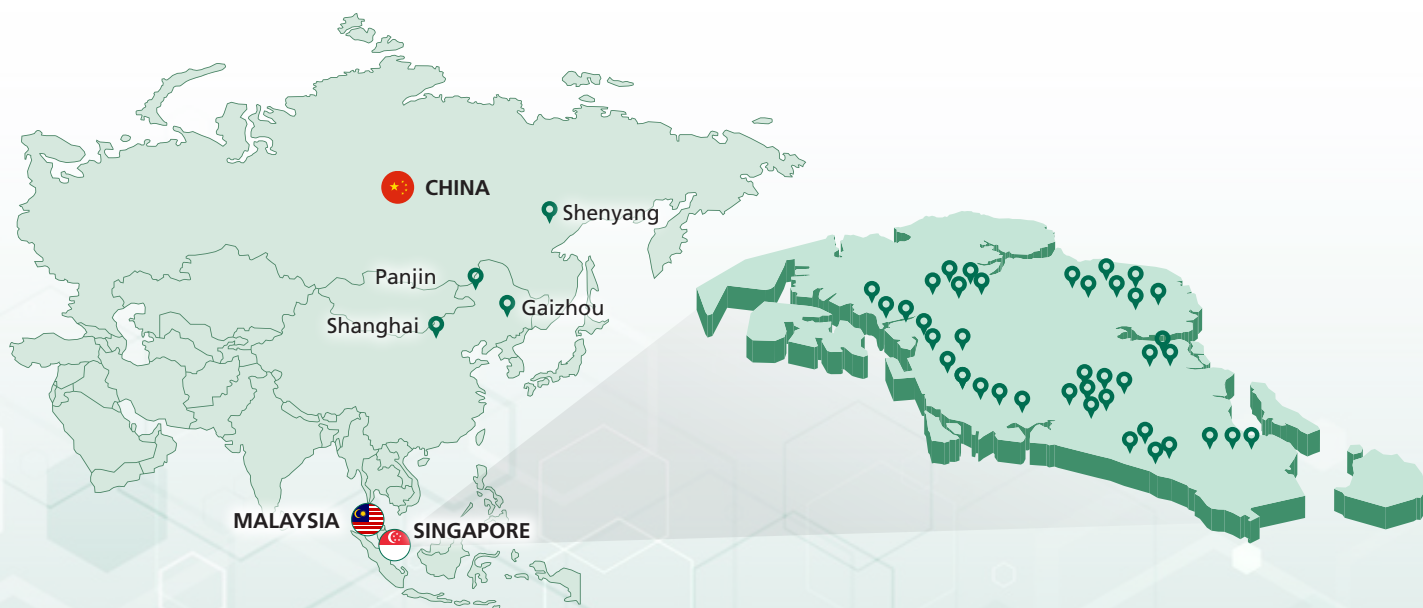
REGIONAL FOOTPRINT

(as at 31 December 2022)

Number of clinics		Fabrication of Dental Prosthesis	Distribution of Dental Equipment and Supplies	Medical Diagnostics Laboratory	Dental AI Technology
Singapore Dental: 107 Medical: 5 Dental College: 1	China Dental: 1 Malaysia Dental: 44	Singapore 1	Singapore 1 Malaysia 1	Singapore 1	Singapore 1

LIST OF SERVICES (Dental and Medical)

DENTAL	MEDICAL
<ul style="list-style-type: none"> Aesthetic/Cosmetic Dentistry CAD CAM Digital Dentistry Children Dentistry Consultations Crowns and Bridges Dental X-rays Dentures Extractions General Dentistry Geriatric Dentistry Gum Disease and Surgery Implant Dentistry Mouth/Night Guards Oral Surgery Orthodontics (Braces) Root Canal Treatment Scaling and Polishing Sensitive Teeth Teeth Grinding (Bruxism) Teeth Whitening Tooth-Coloured Fillings Wisdom Tooth Surgery 	<p>General Health Services:</p> <ul style="list-style-type: none"> Adult and Children Consultation Chronic Disease Management Men's Health Skin Care <p>Preventive Care:</p> <ul style="list-style-type: none"> Cervical PAP Smear Family Planning General Health Screening Pre-Marital Health Screening Smoking Cessation Weight Loss Management <p>Vaccinations:</p> <ul style="list-style-type: none"> Cervical Cancer Chicken Pox Childhood Vaccinations Hepatitis Profiling and Vaccinations Influenza Travel Advice and Vaccinations
	<p>Extensive Medical Check-Ups:</p> <ul style="list-style-type: none"> Pre-education/Extracurricular activity Certification Pre-employment Checks <p>Minor Procedures:</p> <ul style="list-style-type: none"> Ear Syringing Removal of Foreign Material Removal of Warts Suturing Wound Care and Dressing <p>Covid-19</p> <ul style="list-style-type: none"> Swabbing Pre-departure testing Covid-19 vaccination



MESSAGE TO SHAREHOLDERS



“The Group recorded a revenue of S\$181.2 million, with S\$11.3 million of Profit After Tax attributable to Parent.”

DEAR SHAREHOLDERS

In the financial year ended 31 December 2022 (“FY2022”), Q & M Dental Group (Singapore) Limited’s (“Q & M” or “the Group”) core healthcare revenue grew to S\$172.1 million, from S\$168.5 million in FY2021. This represents a healthy 5-year CAGR of 9% from \$120.8 million in FY2018 to the present, demonstrating the resilience and sustainability of the core healthcare business.

FY2022 full year profit was lower compared to FY2021 due to a decrease in Covid-19 related revenue. Total revenue was S\$181.2 million in FY2022 compared to S\$205.6 million in FY2021. Profit after tax attributable to Parent was S\$11.3 million, down from S\$30.5 million from FY2021.

In FY2022 the Group expanded its network of clinics, adding 10 clinics in Singapore and 6 clinics in Malaysia. This brings the Group’s total number of clinics to 107 in Singapore and 44 in Malaysia and 1 in China as at 31 December 2022. The Group has approximately 320 dentists as at 31 December 2022.

The strong showing in core healthcare revenue is not due just to the relatively inelastic demand for dental and healthcare services, even in the midst of a pandemic but in the resilience and dedication of our staff in continuing to work tirelessly in serving our patients and providing them the necessary care required. Going forward, we will continue to work on maximising the utilisation and productivity of each clinic and its resources to increase the Group’s productivity and our margins.

FINANCIAL HIGHLIGHTS

The group recorded a revenue of S\$181.2 million, with S\$11.3 million of Profit After Tax attributable to Parent.

As at 31 December 2022, the Group’s financial position remains strong with net assets of S\$96.5 million, including cash and cash equivalents of S\$39.7 million. Bank borrowings and financial liabilities amounted to S\$85.1 million.

The Covid-19 pandemic had brought along with it testing and vaccination business, resulting in an unprecedented bumper year for Acumen in FY2021.

MESSAGE TO SHAREHOLDERS

However, with Singapore moving to a complete reopening of the economy and dropping virtually all Covid-19 testing and vaccination protocols, Acumen's revenue has significantly decreased. There was also a need to provide for impairment in relation to some Covid-19 related consumables. Revenue from Acumen medical laboratory and its dental equipment and supplies segment amounted to S\$20.3 million, a drop of 55.3% from S\$45.4 million in the previous year.

DIVIDEND

The Group declared a dividend of 1.0 Singapore cent per ordinary share for FY2022.

BUSINESS OUTLOOK & FUTURE PLANS

For the year ahead, the Group will implement a three-pronged strategy that will enable it to attain a higher rate of sustainable growth. The three prongs of the strategy are organic growth, leveraging technology and exporting of the Q & M brand.

Organic growth: By stepping up marketing efforts, dental clinics can better utilise the second and third chairs in clinics that are already established. Through the upgrading of our dentists' skills (with either training at Q & M College locally or overseas), they can perform higher-value dental work that will increase revenue per patient. In line with the high value skills, we will establish more regional dental centres across Singapore, offering one-stop/full suite dental services from basic to specialised services with larger margins. The ratio of dentists and nurses to patients at these centres will be higher, for the best patient experience.

Leveraging Technology: Q & M has taken the lead in the market by making early investments in the field of Artificial Intelligence to harness its power for dental healthcare. This is because we recognise that the potential of big data and AI has yet to be fully realised in the field of dentistry. The diagnosis of treatment

outcomes is one important area where AI will make a significant contribution. AI can help dentists select the best treatment options for patients by reducing human subjectivity and recommending solutions that are ethical, efficient, and effective - the three "E"s. We expect AI to play a significantly greater role in the future of Q & M as it is a strategic differentiator for the Group, that will create a significant value-add vis-à-vis other healthcare providers in the industry. We plan to use this to deliver higher quality patient care, ultimately resulting in better outcomes for patients.

Exporting Q & M's Brand and Knowhow: Q & M Dental, one of the region's largest dental groups, is a premium brand, well-known for the high quality of its products and services over the last 25 years. The Group is currently working on exporting its dental knowhow globally. When fully commercialised, Q & M could potentially export its proprietary technologies such as the AI Ethical Clinical Decision Support System ("AI-ECDSS") and Integrated Dental Management System ("IDMS"), both in Singapore and internationally.

By exporting the Q & M brand and its innovative products to dental practices in the region as well as globally, we will be able to scale up to the next level.

Q & M College

A company is only as good as the talent it has. Talent is essential for the long-term success of Q & M. The Q & M College plays a key role in our talent recruitment and retention strategy by offering comprehensive training programs that give our dentists the knowledge and skills to provide the highest quality patient care. The focus of the College is to provide programs that are not purely theoretical but which also include real-world, hands-on clinical instruction. This is crucial so that our dentists may combine their classroom learning with practical experience.

MESSAGE TO SHAREHOLDERS

Q & M College welcomed its second batch of 20 dentists in April 2022. These are young dentists, most of whom graduated no more than 5 years ago. Through the various modules they will undergo (6 in total), the College aims to equip them with both theoretical knowledge and practical training to supplement what they have learnt in university and in the early stages of their practice. The students will learn not just the “hard” skills of dentistry but also be inculcated with the ethics of the medical profession for the “heart” aspect of their occupation. This is in keeping with our corporate philosophy of encouraging each individual to realise his or her best potential in Life (修身).

Acumen Diagnostics

In October 2022, Acumen Diagnostics won a Singapore Ministry of Health (“MOH”) tender for the operation of one of the sites allocated for Joint Testing and Vaccination Centres (“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-month contract commenced on 1 October 2022 and ends on 31 December 2023, with estimated revenue of at least S\$3.6 million.

As Covid-19 related business winds down, Acumen’s R&D division is working on the development of a pipeline of PCR tests for infectious diseases and cancer and roll these out when fully developed. In addition, it will also be exploring how these tests and testing centres can be replicated in overseas markets.

Building A Strong Foundation for Future Growth

We will continue to build on our strong foundation and grow the Group, firmly guided by our corporate philosophy of “修身齐家治国平天下”, that has been the pillars of our strength since the founding of Q & M and is what we hold dear.

“修身” emphasises the importance of employee self-development and encourages employees to continuously improve their skills and knowledge by adopting a growth mindset. We have various opportunities for staff to be mentored for personal and professional growth. Every organisation is as strong as the weakest link and we strive to see our employees’ personal abilities continuously enhanced and upgraded for the ultimate benefit of our patients.

“齐家” emphasises the obligation of the business to ensure the overall well-being of its workers by taking care of their interests and creating a working environment where the employees can feel a real sense of belonging. We believe strongly in promoting a culture of teamwork, mutual respect and support for one another here. We believe that an environment where every employee is valued and respected and communication is open and transparent translates into better collaboration and a greater sense of ownership and accountability.

“治国” aligns the interests of the company with its stakeholders such as its investors, ensuring that all stakeholders benefit from our continual success.

MESSAGE TO SHAREHOLDERS

We believe in prioritising ethical leadership and good corporate governance as a foundational building block that can then permeate through every level of the organisation.

“平天下” regards the company as a family and promotes a culture of mutual support and care for the greater good; always striving for fair and equitable treatment for our staff and concurrently, prioritising the needs of our customers and stakeholders by engaging in activities and practices that ultimately benefit the society. As a company, it is our priority to treat everyone’s dental and oral health to the very best of our ability, no matter who the person is or where they come from and we hope to spread our wings far and wide.

Appreciation

Q & M is and remains Singapore’s premier private dental healthcare group with the largest footprint, reaching to every corner of the island. Our solid growth over the years is due to the talented team that we have assembled, whose passion to provide the best possible patient care with the best expertise is unrivalled. To our dentists, nurses, and support staff, we extend our heartfelt thanks and gratitude.

On 1 May 2022, we welcomed Mr Tan Teck Koon to our Board of Directors as Independent Non-Executive Director. Mr Tan, who was previously the Deputy Chief Executive officer of Enterprise Singapore, brings to the Q & M Board a wealth of experience in the government and commercial sectors.

We would also like to thank the Board and management for their contributions and invaluable guidance during the past year. Your leadership and unwavering commitment to excellence have been instrumental in keeping us on a steady path of growth.

We also express our heartfelt thanks and appreciation to all our shareholders for your unwavering support of the Company. Your trust and confidence in our team during challenging times have been instrumental in helping us navigate through the ups and downs of the past few years.

As we continue to grow and expand our business, we remain committed to creating long-term value for our shareholders. We appreciate your patience, understanding, and trust in our leadership as we remain focused on delivering results that exceed your expectations.

MR NARAYANAN SREENIVASAN

Independent Non-Executive Chairman

DR NG CHIN SIAU

Group Chief Executive Officer and Executive Director

BOARD OF DIRECTORS



Mr Narayanan Sreenivasan

Independent Non-Executive Chairman

Mr Narayanan Sreenivasan was appointed as Independent Non-Executive Chairman of Q & M on 14 October 2009. He is the Managing Director of K & L Gates Straits Law LLC and has 37 years of experience in government and private legal practice. He is also an Independent Director of FSL Trust Management Pte. Ltd..

He graduated with a LLB (Hons) from the National University of Singapore in July 1985. He is an Advocate and Solicitor of the Supreme Court of the Republic of Singapore and is also a Fellow of the Singapore Institute of Arbitrators and a Fellow of the Chartered Institute of Arbitrators. Mr Sreenivasan has an active litigation practice and was appointed as Senior Counsel in January 2013. He is a director of the Law Society Pro Bono Services and the Singapore Business Federation Foundation. Mr Sreenivasan has previously been the Honorary Secretary of the Singapore Indian Development Association and a Council Member and Treasurer of the Law Society.



Dr Ng Chin Siau

*Non-Independent Executive Director
and Group Chief Executive Officer*

Dr Ng Chin Siau is the Group's founder and Group Chief Executive Officer. He was appointed as a Non-Independent Executive Director of Q & M on 7 January 2008. Dr Ng is responsible for the corporate direction of the Group. He leads the Group in all aspects of its business strategies, policy planning and business development in Singapore, Malaysia and the PRC.

In June 1992, he graduated from the National University of Singapore with a Bachelor of Dental Surgery. Dr Ng also obtained a Certificate of Implantology from the University of Frankfurt in December 2003. He was also an elected member of the Singapore Dental Council from May 2006 to April 2009. From May 1992 to October 1994, he was a Dental Officer with the Ministry of Health. Subsequently in November 1994, he left to join a private dental clinic at Bukit Batok as an Associate Dental Surgeon until October 1996. In November 1996, he founded the Group and has charted its growth since then.

Dr Ng is a Council Member of the Singapore-Liaoning Economic and Trade Council, and Singapore-Shangdong Economic and Trade Council. Dr Ng is also a Patron of the Ang Mo Kio-Hougang's Citizen's Consultative Committee and the Chairman of River Valley High School's School Advisory Committee appointed by Ministry of Education, Singapore.

Dr Ng received the Best Entrepreneur Award in the discipline of Dentistry from the National University of Singapore's Business Incubation of Global Organisations in September 2007. In September 2009, he was named the "Top Entrepreneur" and winner of "The Entrepreneur of the Year Award ("EYA") for Enterprise" in the 2009 Rotary Club - ASME EYA. In December 2010, Dr Ng was conferred the "Ernst & Young Entrepreneur of The Year 2010 Award (Healthcare Services)". In 2015, Dr Ng was named the "Best CEO of the Year for Companies with S\$300 million to S\$1 billion Market Capitalisation" at the Singapore Corporate Awards. In 2022, Dr Ng received the Public Service Medal (Covid-19) under National Award (Covid-19) 2022.

BOARD OF DIRECTORS



Dr Ang Ee Peng Raymond

*Non-Independent Executive Director
and Group Chief Operating Officer*

Dr Ang Ee Peng Raymond is the Group's Chief Operating Officer. He was appointed as a Non-Independent Executive Director of Q & M on 13 June 2008. Dr Ang's responsibilities include the Group's human resource function, information technology, procurement, marketing, ISO implementation and complaints handling. He is assisted by the Group's General Manager, Mdm Foo Siew Juan.

Dr Ang joined the Group in April 2004. Prior to that, from July 1994 to 1996, Dr Ang served as a staff officer with the Singapore Armed Forces Medical Corps. From July 1996 to March 2004, Dr Ang was with the dental group practice, First Impressions Dental Surgery Pte Ltd. Dr Ang is currently a practicing dentist in the Group's dental clinics at Bukit Gombak and Bukit Panjang.

Dr Ang graduated from the National University of Singapore with a Bachelor of Dental Surgery in July 1994. He has been a Fellow of the Academy of Dentistry International since September 2009 and Fellow of the International College of Dentist since November 2010. Dr Ang is also an Advisor to the Singapore Dental Association's Ethics Committee. He has been an elected member of the Singapore Dental Council ("SDC") since May 2009. He is also the Chairman of the SDC Audit Committee, a member of the SDC's Complaints Panel and the SDC's Continuing Professional Education Committee. Dr Ang is a member of Nanyang Polytechnic School of Health Sciences Dental Therapy & Hygiene Advisory Panel. He is also member of the Singapore Medical Council's Complaints Panel.

In 2012, Dr Ang was presented with the prestigious "Singapore Dental Association Meritorious Award" for his contributions to the dental profession in Singapore.



Professor Toh Chooi Gait

Independent Non-Executive Director

Professor Toh Chooi Gait was appointed as an Independent Director of Q & M on 25 June 2013. Currently, she is a Professor of Restorative Dentistry in the International Medical University, Malaysia and Chairman of the IMU Foundation Management Committee. She is the Chairman of the Examination Committee of the Malaysian Dental Council that is responsible for the development and implementation of the Professional Qualifying Examination for registration of Dental Practitioners. She has also served in various leading positions in the International Association for Dental Research and South East Asia Association for Dental Education.

Professor Toh has over 35 years of experience in dentistry and has co-authored books and published more than 60 articles on dentistry in various professional journals. She regularly conducts dental workshops and training for dentists in Malaysia and abroad. She has a Bachelor of Dental Surgery with Honours from the University of Singapore, Master of Science in Conservative Dentistry from University of London, Diploma in Restorative Dentistry from Royal College of Surgeons of Edinburgh, and is a Fellow in Dental Surgery with the Royal College of Physicians and Surgeons of Glasgow. She has also been conferred Honorary Fellowships by Academy of Dentistry International, International College of Dentists and Royal College of Surgeons of Edinburgh. She serves as an examiner for the Royal College of Surgeons of Edinburgh for the MFDS Part 2 Examination and the Diploma in Implant Dentistry Examination. She was elected as a Fellow of the Faculty of Dental Trainers, Royal College of Surgeons of Edinburgh in 2020.

BOARD OF DIRECTORS



Mr Ng Weng Sui Harry

Independent Non-Executive Director

Mr Ng Weng Sui Harry was appointed as an Independent Director of Q & M on 14 October 2009. He is currently the executive director of HLM (International) Corporate Services Pte Ltd, a company that provides business consultancy, accounting and corporate services. Prior to this, he was the chief financial officer with a number of companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

He has more than thirty years of experience in finance, accounting and audit. He sits on the boards of a number of listed companies in SGX-ST as the independent director or non-executive director.

Mr Ng is a Fellow Member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.



Mr Tan Teck Koon

Independent Non-Executive Director

Mr Ted Tan was appointed as an Independent Non-Executive Director of Q & M on 01 May 2022. He is an Enterprise Fellow at Enterprise Singapore, a government agency under the Ministry of Trade and Industry. Mr Tan is concurrently the Operating Partner of Heliconia Capital Management, a subsidiary of Temasek Holdings that provides growth capital for SMEs. He is also an Adjunct Associate Professor at Nanyang Business School at Nanyang Technological University.

Ted Tan has more than thirty years of experience in strategic business development, investments, mergers & acquisitions, governance, risk management and internationalisation in both the public and private sector. He sits on the board of a number of organisations as the independent director or non-executive director.

Mr Tan graduated with a Bachelor of Applied Science (Honours) in Electrical Engineering and a Master of Business Administration. He has completed the Advanced Management Programme at Harvard Business School and the International Directors Programme at INSEAD, and attended Senior Executive Programmes at Tsinghua and Fudan University in China. In 2012, Mr Tan was awarded the Public Administration Medal (Silver) by the Singapore government.



Mr Chik Wai Chiew (Zhi Weichao)

Non-Independent Non-Executive Director

Mr Chik Wai Chiew was appointed as a Non-Independent and Non-Executive Director of Q & M on 14 August 2017. He is currently the Chief Executive Officer and the Executive Director of Heritas Capital Management Pte. Ltd., a Singapore-based private equity and venture capital investment firm that makes investments in healthcare, technology and education sectors across Asia Pacific. He has over 20 years of experience in global investment management and strategic business development, having been active in leading various companies on transformational growth strategies, fund raising and mergers & acquisitions. Mr Chik was awarded the Glaxo-EDB scholarship and holds a BA in Economics from Cambridge University, UK and an MA from Yale University, USA. He has also completed EMBA (conducted in Mandarin) from Cheung Kong Graduate School of Business, the PRC.

BOARD OF DIRECTORS



Dr Kuan Chee Keong

Alternate Director to Group Chief Executive Officer Dr Ng Chin Siau

Dr Kuan Chee Keong was appointed as the Alternate Director to Group Chief Executive Officer Dr Ng Chin Siau on 19 August 2020. He graduated from the National University of Singapore (NUS) with a Bachelor of Dental Surgery in 1993. He served as a Dental Officer at the Government Dental Clinic, Singapore General Hospital, Outpatient Dental Clinic, Alexander Hospital and the Institute of Dental Health. He is currently a general dental practitioner with Q & M Dental Group.

Dr Kuan has served in consecutive councils of the Singapore Dental Association from 2006 till 2017 during which he was elected President for the 2012/14 & 2014/16 terms. He was also elected President of Asia Pacific Dental Federation in 2015/16. Most recently, Dr Kuan was elected by his peers to serve as Member of the Singapore Dental Council for 2018-2021. Currently, Dr Kuan is the Chairman of the Application of Remote Dentistry Committee and a member of the Complaints Panel of the SDC.

In the past, Dr Kuan served as appointed member of the Dental Services Advisory Group and National Ethics Capability Committee for the Ministry of Health Singapore. He was also the appointed member of the NUS Faculty of Dentistry's Advisory Committee; member of Admission Interview Panel for Faculty of Dentistry Undergraduate Program of NUS; member of SDA Endowment Fund Management Committee and member of NUS-SDA Continuing Education Fund Management Committee. In addition, he was the appointed member of the Dental Advisory Panel for Health Sciences Authority and Personal Data Protection Commission.



Dr Chong Kai Chuan

Alternate Director to Group Chief Operating Officer

Dr Ang Ee Peng Raymond

Dr Chong Kai Chuan was appointed as the Alternate Director to Group Chief Operating Officer Dr Ang Ee Peng Raymond on 19 August 2020. In 1997, he graduated from the National University of Singapore (NUS) with a Bachelor of Dental Surgery.

With strong interest and passion in Implantology, Dr Chong furthered his studies with Fellow of Royal Australian college of Dental Surgeons (FRACDs) in 2001 and Grad Dip of Dental Implantology, 2009 from National University of Singapore. Dr Chong is a Director of Quan Min Holdings Pte. Ltd and he is currently working as a general dentist with Q & M Dental Group Singapore.

EXECUTIVE OFFICERS

Mdm Foo Siew Jiu

General Manager

Mdm Foo Siew Jiu is the Group's General Manager and her current responsibilities include overseeing the daily operational matters, such as human resource, procurement, and corporate communications. From May 1993 to January 1997, she was a retail pharmacist and outlet manager at Guardian Pharmacy Singapore. From May 1998 to June 1999, she continued to work part-time as a pharmacist at St. Luke's Hospital in Singapore. She joined the Group in November 1996 on a part-time basis before working fulltime with the Group from July 1999. She graduated with a Bachelor of Science (Pharmacy) from the National University of Singapore in June 1992.

Mdm Ng Sook Hwa

Chief Financial Officer

Mdm Ng Sook Hwa was appointed as the Chief Financial Officer on 7 May 2022. She is responsible for the Group's financial management, tax and investment matters, as well as assisting the Group CEO on merger and acquisition activities. Mdm Ng comes with a wealth of experience accumulated over many years in the areas of finance, audit and business management.

Prior to joining the Group in March 2002, Mdm Ng was a second-year graduate assistant in KPMG, Singapore from October 2000 to February 2002. Mdm Ng graduated with a Bachelor of Commerce, Finance and Marketing (with distinction) from Curtin University of Technology, Australia in August 1998. She also obtained her Masters of Accounting from Curtin University of Technology, Australia in April 2000 and is a member of CPA Australia.

KEY FIGURES



S\$181.2 M
REVENUE



S\$14.3 M
PROFIT BEFORE TAX



S\$35.2 M
EBITDA



2.5
CURRENT RATIO (TIMES)



S\$39.7 M
CASH POSITION



1.20 CENTS
EARNINGS PER SHARE



10.2 CENTS
NAV PER SHARE

OPERATIONS REVIEW

Despite a challenging operating environment in FY2022, Q & M continued to consolidate and strengthen its position as the premier provider of dental healthcare in Singapore and the region. The Group's core dental business had a strong showing even as the country moved to a "living with Covid" policy, and mobility and other restrictions were progressively lifted during the year.

Currently, the Covid-19 epidemic is mostly in the rear-view mirror, as residents in Singapore have adapted to living with the virus. With the government's support, the economy is beginning to recover after being stagnant for three years. Given Singapore's positive business climate, the Group is cautiously optimistic that it will emerge from the Covid-19 period even stronger. The foundations we have built over the past 26 years positions it well to capitalise on potential opportunities in the year ahead.

SINGAPORE

As at 31 December 2022, the Group operates a total of 152 dental clinics, of which 107 are located in Singapore, 44 in Malaysia and 1 in PRC China (See Table).

	As at 31 Dec 2022	As at 31 Dec 2021	Variance Net Growth Last 12 months	
Singapore-Dental	107	97	+10 Dental Clinics	+10%
Singapore-Medical	5	5	-	-
Malaysia	44	38	+6 Dental Clinics	+16%
China PRC	1	1	-	-
TOTAL	157	141		

SG new clinics - Alexandra Road, Boon Lay, Jurong West Street 51, Keat Hong, New Bridge Road, New Upper Changi Road, Sembawang Shopping Centre, Tampines St 41, Toa Payoh Lorong 4, Toa Payoh Lorong 1.

MY new Clinics - Bandar Sri Damansara, Selayang, Segamat, Bahru, Cheras Selatan, Rawang.

In FY2022, we opened 10 new dental clinics in Singapore located at Alexandra Road, Boon Lay, Toa Payoh plus 7 other locations in different parts of the island to cater to the increasing demand and to make our clinics as convenient and accessible as possible to a wider group of patients.



Q & M College just saw the first batch of students graduate from their course and is currently enrolling the second batch of students for its graduate diploma program and other modular courses. Besides classroom style lectures, the students will be given opportunities to attend hands-on sessions conducted under the supervision of experienced lecturers and clinical tutors.

The Group owns 100% of EM2AI Pte Ltd ("EM2AI"), a company that is developing next-generation AI-driven dental solution that assists dentists in the process of making diagnosis and patient treatment plans through its proprietary Artificial Intelligence Guided Ethical Clinical Decision Support System ("GECDS"). The system greatly reduces any possible pre-judgement or potential bias on the part of the dentist and greatly increases the quality and consistency of diagnosis and treatment.

In August 2022, EM2AI obtained a Medical Device License Class B from Health Sciences Authority Singapore for its product known as EM2Clinic. It is a proprietary system that has AI features to detect dental conditions, both pathologies and non-pathologies, such as tooth decay, missing tooth, impacted tooth, filling, implant, crown, retained root etc. With EM2Clinic, findings from dental x-rays are used to automatically populate dental chart. This AI detection feature has now been implemented in all of Q & M clinics in Singapore and Malaysia.

In December 2022, EM2AI was awarded a Medical Device License Class B as well as a Good Distribution Practice for Medical Device certificate from the Medical

OPERATIONS REVIEW

Devices Authority of Malaysia. With these license and certificate in place, EM2AI can now distribute and sell EM2Clinic in Malaysia.

Our investment in AI contributes to the building of potential new revenue stream in the future which will serve us well as we make inroads into new territories and opportunities.

ACUMEN

Acumen Diagnostics was awarded a tender by the Singapore Ministry of Health in October 2022 to operate one of the Joint Testing and Vaccination Centres ("JTVC") as part of the government's initiative to provide efficient and convenient access to Covid-19 booster shot vaccination by involving the private medical sector. Acumen Diagnostics' contract, which commenced on October 1, 2022, and runs until December 31, 2023, is worth at least S\$3.6 million.

As the Covid-19-related business subsides, Acumen's R&D division is focusing on developing a pipeline of PCR tests for other infectious diseases and cancer. The company plans to introduce these tests to the market when they are ready for commercialisation. Additionally, Acumen will explore the possibility of replicating its testing centres and PCR tests in foreign markets.



MALAYSIA

2022 saw 6 new clinic locations opened in Malaysia, of which 2 clinics were opened in Johor and the rest in Selangor bringing the total number of clinics in the country to 44.



As we move into 2023, we are similarly embarking on a strategy of increased utilisation of existing clinics, maximising productivity of each clinic as well as looking at opportunities to increase our footprint in Malaysia, when the right opportunity arises.

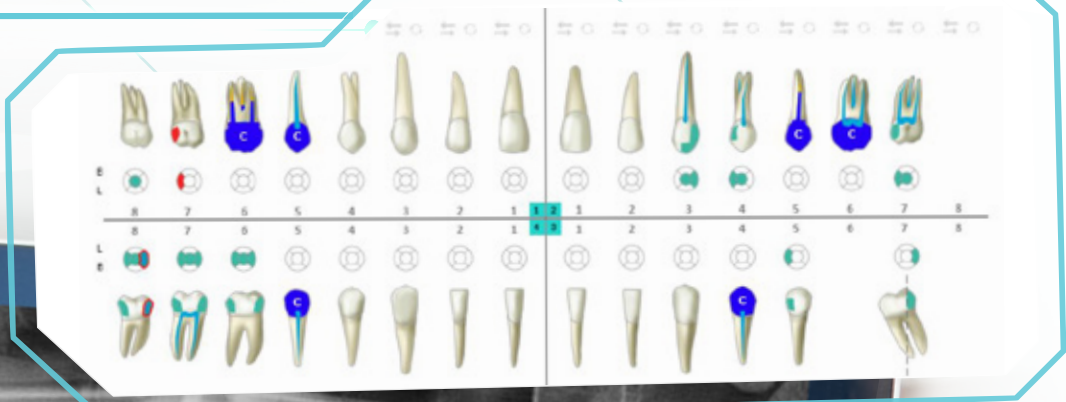
THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

For all of 2022, China was still operating under a zero-Covid stance with the sporadic lockdowns disrupting the Group's business. Not only were patients unable to visit our clinics, our operations were also affected by staff infected with Covid-19 or not being able to come to work due to mobility restrictions.

Since January 2023, Covid-19 restrictions have been lifted and we are cautiously optimistic that the operating environment will improve in the year ahead as the market for dental care in the PRC has huge potential. We see the growth of the middle class, urbanisation and also an increasing awareness of dental health as key drivers of demand in the coming years and will look to capitalise on these opportunities as they present themselves.

With a highly fragmented market in China consisting of a large number of small, private dental clinics, we feel that the Q & M brand with its Singapore parentage and access to the Group's dental management system and technologies has the competitive advantage to grow our business in China.

Revolutionising the future of dental care through the power of AI - **Q & M's Dental AI scan** in 5 seconds



FINANCIAL REVIEW

STATEMENT OF COMPREHENSIVE INCOME

OVERVIEW

The Group recorded total revenue of S\$181.2 million, and profit after tax attributable to parent ("PATMI") of S\$11.3 million for the twelve months ended 31 December 2022 ("FY2022"). The Group Earnings before interest, tax, depreciation, amortisation ("EBITDA") for FY2022 was S\$35.2 million.

CLINICS & MEDICAL DISTRIBUTION

Q & M Group has 152 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, Malaysia and China as at 31 December 2022 (See Table 1). It also has 1 dental equipment & supplies distribution company and a medical laboratory company in Singapore and 1 dental equipment & supplies distribution company in Malaysia.

Table 1: Dental and Medical Clinics (Singapore, Malaysia, China PRC)

Group Total	Dental	Medical	College
As at 31 Dec 2022	152	5	1
As at 31 Dec 2021	136	5	1
Net Change	+16	-	-

Table 2: Total Dental and Medical Clinics in Singapore

Singapore	Dental	Medical	College
As at 31 Dec 2022	107	5	1
As at 31 Dec 2021	97	5	1
Net Change	+10	-	-

Table 3: Total Dental Clinics Overseas in Malaysia and PRC China

Overseas	Dental-Malaysia	Dental-China
As at 31 Dec 2022	44	1
As at 31 Dec 2021	38	1
Net Change	+6	-

The Group operates 44 clinics in Malaysia. It has 16 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.

REVENUE

Q & M's Total Revenue contributions from dental and medical clinics increased by S\$0.7 million from S\$160.2 million for the 12 months ended 31 December 2021 ("FY2021") to S\$160.9 million for the 12 months ended 31 December 2022 ("FY2022").

Comparing FY2022 with FY2021, the revenue contribution from medical laboratory and dental equipment & supplies decreased by 55% or S\$25.1 million as Singapore no longer requires Covid-19 testing and government grants have largely been phased out. Prices for Covid-19 tests have also decreased to maintain competitiveness in the market, offset by an increase in revenue contribution from the dental equipment & supplies company in Malaysia.

OTHER (LOSSES) GAINS – NET

Comparing FY2022 with FY2021, other gains decreased due to an absence of one-time gain on disposal of Aidite in 1H2021 as well as an increase in allowance for impairment on inventories and other receivables in FY2022.

OTHER ITEMS OF EXPENSE

- Consumables and Supplies Used in Dental & Medical Clinics**

Consumables and Supplies used in dental and medical clinics decreased by 3% or S\$0.4 million in FY2022 compared to FY2021.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in FY2022 was 8.6% compared to 8.9% in FY2021.

- Cost of Sales from Medical Laboratory and Dental Equipment & Supplies**

Cost of sales from medical laboratory and dental equipment & supplies decreased by 32% or \$5.3 million in FY2022 as compared to FY2021. 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 FY2022 was 55.9% compared to 36.7% in FY2021.

FINANCIAL REVIEW

- **Employee Benefits Expense**

Employee benefits expense, which includes professional fees paid to dentists increased 1% or \$0.6 million as compared to FY2021 due mainly to the change in accrual policy for employee bonuses and directors' fees in FY2022. As a percentage of revenue, employee benefits expense in FY2022 was 57.2% compared to 50.1% in FY2021.

- **Depreciation and Amortisation Expense**

Depreciation and amortisation expenses increased by 19% or \$0.8 million in FY2022 as compared to FY2021, due to higher depreciation and amortisation expenses from the medical laboratory and dental clinics in Singapore, as well as higher amortisation expense on the development cost incurred on the development of the Group's digital Artificial Intelligence ("AI") guided clinical decision support system.

As a percentage of revenue, depreciation and amortisation expenses in FY2022 was 2.7% compared to 2.0% in FY2021.

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

Depreciation of ROU Assets, excluding the effect of rental rebate, increased by 7% or \$0.8 million in FY2022 as compared to FY2021, mainly due to the increase in the number of clinics in Singapore in FY2022. As a percentage of revenue, depreciation of ROU assets, excluding the effect of rental rebate, in FY2022 was 6.7% compared to 5.6% in FY2021.

- **Other Expenses**

Other Expenses decreased by 2% or \$0.2 million in FY2022 as compared to FY2021, mainly due to the decrease in legal and professional fees as well as marketing expenses in 4Q22, offset by increase in repair and maintenance fees and PUB expenses in FY2022. As a percentage of revenue, other expenses in FY2022 were 6.3% compared to 5.7% in FY2021.

- **Finance Costs**

Finance Costs increased by 29% or \$0.9 million in FY2022 as compared to FY2021, due to higher interest expense as well as higher ROU interest as a result of opening more dental clinics in FY2022. As a percentage of revenue, finance costs in FY2022 was 2.2% compared to 1.5% in FY2021.

SHARE OF LOSS FROM EQUITY-ACCOUNTED ASSOCIATE

Share of loss increased by S\$0.1 million in FY2022 as compared to FY2021, due to the absence of share of profit from Aidite which was disposed by the Group in 1Q21 offset by lower share of loss from equity-accounted associate, Aoxin Q&M.

DIVIDENDS

The Group declared 1.0 Singapore cent per ordinary share for FY2022 as compared to 4.0 Singapore cents in FY2021.

EBITDA, PROFIT BEFORE TAX AND NET PROFIT AFTER TAX

Q & M 's EBITDA decreased to S\$35.2 million in FY2022 as compared to S\$63.2 million in FY2021.

The Group's net profit after tax decreased from S\$39.4 million in FY2021 to S\$11.9 million in FY2022.

Profit after tax attributable to owners of the parent decreased from S\$30.5 million in FY2021 to S\$11.3 million in FY2022.

STATEMENT OF FINANCIAL POSITION

Q & M has cash and cash equivalents of S\$39.7 million while bank borrowings amounted to S\$85.1 million as at 31 December 2022.

As compared to 31 December 2021, it has cash and cash equivalents of S\$47.6 million while bank borrowings amounted to S\$83.7 million.

CURRENT ASSETS

Cash and cash equivalents as at 31 December 2022 decreased to S\$39.7 million from S\$47.6 million as at 31 December 2021. The decrease of S\$7.9 million was mainly due to dividend payment of S\$18.2 million, the purchase of a property in Kovan, Singapore, dental equipment and renovations for new clinics, offset by net cash generated from operations of S\$33.6 million (12 months ended 31 December 2021: S\$50.8 million).

Trade and other receivables as at 31 December 2022 decreased to S\$27.0 million from S\$27.8 million as at 31 December 2021. The decrease of S\$0.8 million was mainly due to decrease in trade receivables from the medical

FINANCIAL REVIEW

laboratory business offset by profit guarantee receivables from vendors of Aoxin Q & M Dental Group Limited, an equity-accounted associate of the Company and increase in trade receivables from the dental equipment & supplies distribution companies in Singapore and Malaysia.

Other assets as at 31 December 2022 increased to S\$4.0 million from S\$3.8 million as at 31 December 2021. The increase of S\$0.2 million was mainly due to an increase in sign on bonus for dentists.

NON-CURRENT ASSETS

The net book value of property, plant and equipment as at 31 December 2022 increased to S\$36.9 million from S\$32.6 million as at 31 December 2021. The increase of S\$4.3 million was mainly due to the purchase of a clinic property in Kovan.

Investment in associates as at 31 December 2022 decreased to S\$25.2 million from S\$27.0 million as at 31 December 2021. The decrease of S\$1.8 million was due to the share of loss from Aoxin Q & M in FY2022 as well as translation loss due to a weaker exchange rate for RMB against SGD.

Other intangible assets as at 31 December 2022 increased to S\$4.6 million from S\$3.6 million as at 31 December 2021. The increase of S\$1.0 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.

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

Other assets as at 31 December 2022 increased to S\$7.5 million from S\$7.1 million as at 31 December 2021. The increase of S\$0.4 million was mainly due to an increase in sign-on bonuses arising from the Q & M Performance Share Plan 2018 awarded to 7 key dentists of the Group offset by amortisation of the sign-on bonuses for dentists.

CURRENT LIABILITIES

Trade and other payables as at 31 December 2022 decreased to S\$19.4 million from S\$26.2 million as at 31 December 2021. The decrease of S\$6.8 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.

Other financial liabilities as at 31 December 2022 decreased to S\$0.5 million from S\$3.6 million as at 31 December 2021. The decrease of S\$3.1 million was due to reclassification of a S\$3.0 million bank loan from current liability to non-current liability.

Lease liabilities from ROU assets as at 31 December 2022 increased to S\$10.5 million from S\$9.9 million as at 31 December 2021. The increase of S\$0.6 million was mainly due to opening of new dental clinics in Singapore and Malaysia offset by the expiry of leases less than one year that has yet to be renewed.

NON-CURRENT LIABILITIES

Other financial liabilities as at 31 December 2022 increased to S\$84.6 million from S\$80.2 million as at 31 December 2021. The increase of S\$4.4 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 loans from current liability to non-current liability.

STATEMENT OF CASH FLOWS

Q & M generated net cash flow from operating activities of S\$33.6 million in FY2022. This was mainly attributable to operating cash flows before changes in working capital, decrease of inventory and trade and other receivables offset by decrease in trade and payables and income taxes paid in FY2022.

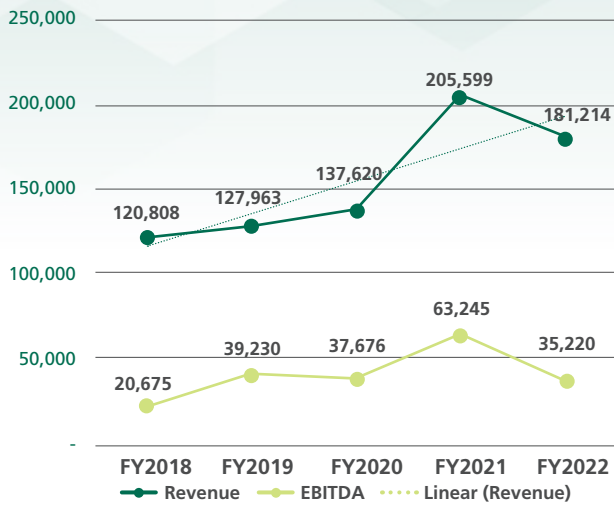
Net cash used in investing activities in FY2022 amounted to S\$11.0 million, mainly due to purchase of plant and equipment for the existing and new dental clinics and cost of developing the Artificial Intelligence (AI) guided clinical decision support system.

Net cash used in financing activities in FY2022 was S\$30.5 million, mainly due to dividend payment to shareholders, repayment of lease liabilities arising from right-of-use assets, repayment of bank loans offset by drawdown of bank loan for purchase of Kovan Property and proceeds from placement shares.

Consequent to the above factors, the Group's cash and cash equivalents was S\$39.7 million as at 31 December 2022.

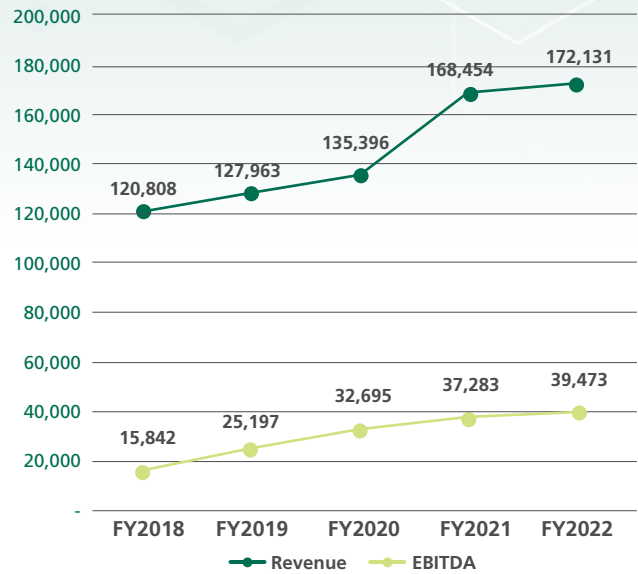
FINANCIAL HIGHLIGHTS

Chart 1: Group Total: Revenue & EBITDA (\$S'000)



- Group Total Revenue CAGR: 10.7% (FY2018 to FY2022)
- Group Total EBITDA CAGR: 14.2% (FY2018 to FY2022)

Chart 2: Core Healthcare- Revenue & EBITDA (\$S'000)



- Core Healthcare Revenue CAGR: 9.3% (FY2018 to FY2022)
- Core Healthcare EBITDA CAGR: 25.6% (FY2018 to FY2022)

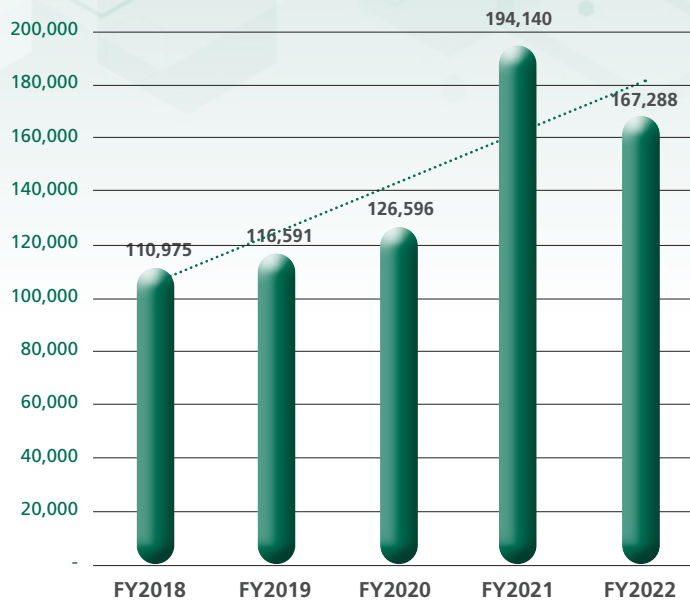
Chart 3: Core Healthcare Revenue- Last 4 quarters (\$S'000)



- Core Healthcare Revenue grew steadily last 4 quarters of 2022

FINANCIAL HIGHLIGHTS

Chart 4: Revenue by Country- Singapore (S\$'000)



- Singapore Revenue CAGR: 10.8% (FY2018 to FY2022)
- Q&M's Singapore operations grew from 70 dental clinics as at start of 2018 to 107 dental clinics as at end of 2022

Chart 5: Revenue by Country- Malaysia (S\$'000)



- Malaysia's Revenue CAGR: 12.5% (FY2018 to FY2022)
- Q & M's Malaysia operations grew from 14 dental clinics as at start of 2018 to 44 dental clinics as at end of 2022

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (“CSR”) is a fundamental component of any good business operating in the world today and Q & M is no exception. We are firmly committed to contributing meaningfully to Singapore and the society at large, as a way to benefit the people and the community that we are operating in. This short report will focus on the CSR values and practices of Q & M as we share on some of our activities for the year.

The last 2 plus years have seen unprecedented turmoil in the world from the onset of the Covid-19 pandemic that swept across the entire globe. While the Singapore government was largely able to manage the impact of the pandemic with a careful calibration of measures, balanced against the need to keep the economy and society still operating, there were still many areas in which the private sector had to step forward to contribute and play their part. During the height of the Covid-19 pandemic, Q & M partnered with the government to administer virus-testing protocols, as well as donating surgical masks, essential equipment to many charity organisations in Singapore. Additionally, we provided free essential dental healthcare to many foreign workers in this period of the pandemic. Now that Singapore has moved to a “living with Covid” stance, we are also finetuning our focus and support to other areas.

We are extremely proud of and very thankful for reaching the milestone of opening 100 clinics in Singapore in 2022. In celebration of this highly significant achievement, Q & M sponsored the planting of 100 trees in support of the OneMillionTrees movement, a nationwide effort led by NParks to plant a million trees in Singapore over the next 10 years. The trees will add lush greenery and provide shade to residents in the Whampoa area recognising the importance of sustainable development in the pursuit of growth, while also implementing measures to reduce our overall environmental impact. As a Group, Q & M has also been adopting sustainable practices in our operations and supply chain to reduce waste and conserve resources. We believe that our efforts to support and promote sustainable practices throughout every step of our value chain will have lasting and meaningful impact and will be exploring how we can further enhance our efforts.

In June 2022, a total of 23 Q & M dentists and nurses volunteered their expertise and time in collaboration with the Foreign Worker Association (“FAST”) to provide wisdom tooth removal for 150 foreign workers who needed their wisdom teeth extracted. This is in line with Q & M’s goal of helping those who are less well-off be able to access quality dental healthcare and receive treatment



when needed. Seeing their toothless grins after their treatment brought a smile to many of our colleagues and warmed our hearts greatly.

Q & M has set aside S\$50,000 to be awarded to eligible children of employees and we organised our very first Q & M Scholarship and Bursary Award Ceremony in June to award deserving children of our employees with financial support to support them in their education. A total of 16 children received the award during the event and it was a great encouragement and affirmation to the children, especially those who achieved merit records in their education. We look forward to recognising and supporting even more deserving students in the coming years.

While we have now moved on from the more draconian Safe Management Measures (“SMM”) introduced in the initial stages of Covid-19, Q & M places the highest priority in the health and safety of our employees and patients. We have retained, and indeed, improved on many of the health and safety protocols throughout our operations to ensure the continued well-being of all.

In conclusion, Q & M is firmly committed to CSR throughout our organisation because we recognise the vital importance of sustainable growth, ethical business practices, and community engagement to the Group. Through our various initiatives, we hope to continue making meaningful contributions to the community, whether supporting education, environment, health and safety, and social welfare initiatives especially to those of greater need. As we move into the new year, we are actively seeking out new opportunities to be a blessing to those in need and to see more lives touched and supported.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Narayanan Sreenivasan
(Independent Non-Executive Chairman)

Dr Ng Chin Siau
(Non-Independent Executive Director and Group Chief Executive Officer)

Dr Ang Ee Peng Raymond
(Non-Independent Executive Director and Chief Operating Officer)

Prof Toh Chooi Gait
(Independent Non-Executive Director)

Mr Ng Weng Sui Harry
(Independent Non-Executive Director)

Mr Chik Wai Chiew
(Non-Independent Non-Executive Director)

Mr Tan Teck Koon
(Independent Non-Executive Director)

AUDIT COMMITTEE

Mr Ng Weng Sui Harry (Chairman)
Mr Narayanan Sreenivasan
Prof Toh Chooi Gait

REMUNERATION COMMITTEE

Prof Toh Chooi Gait (Chairperson)
Mr Ng Weng Sui Harry
Mr Narayanan Sreenivasan

NOMINATING COMMITTEE

Prof Toh Chooi Gait (Chairperson)
Mr Ng Weng Sui Harry
Mr Narayanan Sreenivasan

COMPANY SECRETARY

Ms Cheok Hui Yee

REGISTERED OFFICE

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Singapore 129809
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SHARE REGISTRAR

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Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road, #02-00
Singapore 068898

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095
Goh Swee Hong (Partner-in-charge)

THE Q & M EXTENDED FAMILY



AWARDS & ACCOLADES



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REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Q & M Dental Group (Singapore) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) (the “**Board**” or “**Directors**”) is committed to maintaining high standards of corporate governance and has adopted the principles of the Code of Corporate Governance 2018 (the “**Code**”) to enhance transparency and accountability as well as to protect the interest of shareholders. The Board confirms that, for the financial year ended 31 December 2022 (“**FY2022**”), the Company has generally adhered to the principles and guidelines set out in the Code.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Mainboard Rules**”).

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1 *The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

Board's Role

The Board is entrusted with the responsibility for the overall management of the Company. It provides entrepreneurial leadership and establishes the corporate strategies of the Company as well as sets the direction and goals for the executive management. The Board ensures that the necessary resources are in place for the Company to meet its strategic objectives and constructively challenge the Management and review its performance. It instils an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with such culture. The Board is also responsible for implementing and maintaining sound corporate governance practices for the Company, and to ensure transparency and accountability to key stakeholder groups.

The Board has sought to identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation, including but not limited to the dentists and patients.

The Board has considered sustainability issues, such as environmental and social factors, as part of its strategic formulation of the Group.

Independent Judgement

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. The Directors have the appropriate core competencies and diversity of experience to enable them to contribute effectively. All Directors are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group

Conflicts of Interest

Each Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. On an annual basis, each Director is also required to submit details of his other directorships and interests in other entities for the purpose of monitoring interested persons transactions. Where a Director has a conflict of interest in relation to any matter, he will recuse himself from discussions and decisions involving the issues of conflict. In respect of certain matters, he may be permitted to participate in the discussions if the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he will abstain from voting in relation to such issues of conflict.

REPORT ON CORPORATE GOVERNANCE

Matters requiring Board Approval

The Board has established an internal framework to ensure that the type of material transactions that require the Board's approval is consistently applied throughout the Group. Matters requiring Board approval include:

- (a) Overall Company's business and budget strategy;
- (b) Capital expenditures, investments or divestments exceeding material limits;
- (c) All capital-related matters including capital issuance;
- (d) Significant policies governing the operations of the Company;
- (e) Corporate strategic development and restructuring;
- (f) Material acquisitions and disposals of assets;
- (g) Material interested person transactions;
- (h) Risk management strategies;
- (i) Approval of quarterly, half yearly and year end result announcements and the release thereof; and
- (j) Approval of the annual reports and accounts for presentation at annual general meeting ("**AGM**").

Directors' Orientation and Training

For each newly appointed Director, he/she will receive appropriate training including familiarisation with the Company's business, governance practices and relevant statutory and regulatory compliance issues to ensure that he/she has a proper understanding of the Company and is fully aware of his/her responsibilities and obligations of being a Director of a listed company. To get a better understanding of the Group's business, the Directors are given the opportunity to visit the Group's operational facilities and meet with the key management personnel. The Company will also provide each newly appointed Director with a formal letter of appointment setting out the Director's duties and responsibilities.

The Company is responsible for arranging and funding the training of new and existing Directors. Directors are updated with the latest professional developments in relation to the Mainboard Rules, accounting standards and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure the compliance of the same by all Directors. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and news articles/reports (including analyst reports) which are relevant to the Group's business are regularly circulated to the Directors. Management informs the Directors of upcoming conferences and seminars relevant to their roles as directors of the Company. The Company has an ongoing budget for its Directors to attend appropriate courses, conferences and seminars conducted by external professionals for them to stay abreast of relevant business developments and outlook.

Delegation by the Board

To facilitate effective management and to support the Board in discharging its duties and responsibilities efficiently and effectively, certain functions of the Board have been delegated to various Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and Remuneration Committee (the "**RC**") (collectively the "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis taking into consideration the changes in the governance and legal environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Board acknowledges that while the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

REPORT ON CORPORATE GOVERNANCE

The composition of the Board and Board Committees is set out below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Mr Narayanan Sreenivasan	Chairman	Member	Member	Member
Mr Ng Weng Sui Harry	Member	Chairman	Member	Member
Prof Toh Chooi Gait	Member	Member	Chairperson	Chairperson
Dr Ng Chin Siau	Member	-	-	-
Dr Ang Ee Peng Raymond	Member	-	-	-
Mr Chik Wai Chiew	Member	-	-	-
Mr Tan Teck Koon	Member	-	-	-
Dr Kuan Chee Keong (Alternate Director to Dr Ng Chin Siau)	-	-	-	-
Dr Chong Kai Chuan (Alternate Director to Dr Ang Ee Peng Raymond)	-	-	-	-

Board Meetings and Attendance

During the financial year ended 31 December 2022, the Board scheduled to meet on a quarterly basis to coincide such meetings with the review and approval of the Group's results announcements. The Board meets on a regular basis as well as for ad-hoc meetings, if warranted by circumstances deemed appropriate by the Board. At those meetings, the Board reviewed the Group's financial performance, annual budget, corporate strategy, business plans, potential acquisitions, risk management policies and significant operational matters. The number of Board and Board Committees meetings held during the financial year ended 31 December 2022 and the attendance of each Director, where relevant, are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
No. of Meetings held	4	4	1	1	1
Name of Directors					
Mr Narayanan Sreenivasan	4	4	1	1	1
Mr Ng Weng Sui Harry	4	4	1	1	1
Prof Toh Chooi Gait	4	4	1	1	1
Dr Ng Chin Siau	4	NA	NA	NA	1
Dr Ang Ee Peng Raymond	4	NA	NA	NA	1
Mr Chik Wai Chiew	4	NA	NA	NA	1
Mr Tan Teck Koon	3 ⁽¹⁾	NA	NA	NA	NA ⁽¹⁾
Dr Kuan Chee Keong (Alternate Director to Dr Ng Chin Siau)	NA ⁽²⁾	NA	NA	NA	NA ⁽²⁾
Dr Chong Kai Chuan (Alternate Director to Dr Ang Ee Peng Raymond)	NA ⁽²⁾	NA	NA	NA	NA ⁽²⁾

NA: Not Applicable

- (1) Mr Tan Teck Koon appointed as Director of the Company on 1 May 2022.
- (2) Not required to attend the Board meetings and annual general meeting as he is an alternate Director and the appointing Director was available to attend the Board Meetings and annual general meeting.

REPORT ON CORPORATE GOVERNANCE

The Company's Constitution provides for Directors to participate in meetings of Directors by means of conference telephone, video conferencing, audio visual, or other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by each other, without a Director being in the physical presence of the other Directors. The Board and Board Committees also make decisions through circulation of written resolutions.

Access to Information

The Directors have separate and independent access to the Management and the Company Secretary(ies) at all times. Requests for information from the Board are dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur so as to enable them to make informed decisions to discharge their duties and responsibilities. The Management provides the Board with quarterly reports of the Company's performance. The Management also consults with Board members regularly whenever necessary and/or appropriate. The Board is issued with board papers in a timely fashion prior to Board meetings.

The Company Secretary(ies) or her representative(s), attends and prepares minutes of all Board and Board Committees meetings. The Company Secretary(ies) assists the Chairman in ensuring that Board procedures are followed and regularly reviewed so that the Board functions effectively and the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with. The appointment and removal of the Company Secretary(ies) is a matter decided by the Board as a whole.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice at the Company's expense.

Board Composition and Guidance

Principle 2 The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Composition

The Board comprises seven (7) Directors of whom two (2) are Executive Directors; four (4) are Independent Non-Executive Directors; and one (1) is a Non-Independent Non-Executive Director, which have the appropriate mix of core competencies and diversity of experience to direct and lead the Company. There is a good balance between the executive and non-executive Directors, with a strong and independent element on the Board. As at the date of this report, the Board comprises the following members:

Mr Narayanan Sreenivasan	(Independent Non-Executive Chairman)
Mr Ng Weng Sui Harry	(Independent Non-Executive Director)
Prof Toh Chooi Gait	(Independent Non-Executive Director)
Mr Tan Teck Koon	(Independent Non-Executive Director)
Dr Ng Chin Siau	(Non-Independent Executive Director and Group CEO)
Dr Ang Ee Peng Raymond	(Non-Independent Executive Director and Chief Operating Officer)
Mr Chik Wai Chiew	(Non-Independent Non-Executive Director)
Dr Kuan Chee Keong	(Alternate Director to Dr Ng Chin Siau)
Dr Chong Kai Chuan	(Alternate Director to Dr Ang Ee Peng Raymond)

Board Diversity

The Company's diversity policy endorses the principle that the Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimal composition of the Board and when possible should be balanced appropriately. The Board considers its current Board size appropriate for the facilitation of decision making, taking into account the nature and scope of operations of the Group. The make-up of the Board reflects diversity of gender, age, skills and knowledge. The Board comprises Directors of both gender with strong industry knowledge and diversified background such as legal and accounting, and who collectively bring with them a wide range

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of experience. The Board is also of the view that the Board comprises persons who as a group provide capabilities required for the Board to be effective. Members of the Board are regularly in touch with the Management to provide advice and guidance on matters for which their expertise will be constructive to the Group.

Non-Executive Directors

The Non-Executive Directors exercise no management functions in the Company or any of its subsidiaries. Although all the Directors are equally responsible for the performance of the Group, the role of the Non-Executive Directors are important to ensure that the strategies proposed by the Management are fully discussed and examined by taking into account the long-term interests of shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business. To facilitate a more effective check on Management, the Non-Executive Directors will, when necessary, meet in the absence of Management to discuss concerns or matters such as overall Group business strategic and investments.

The Company has also adopted initiatives to ensure that the Directors are supported by accurate and timely information and have unrestricted access to the Management. These initiatives include informal meetings for the Management to brief the Directors on potential deals and strategies at an early stage and to circulate relevant information on various business initiatives.

Independence of Independent Directors

Each of the Independent Directors has completed an independent director's declaration form and confirmed his/her independence. The independence of each Director has been and will be reviewed on an annual basis and as and when the circumstances require, by the NC, with reference to the guidelines as set out in the Code. Rigorous review will also be conducted by the NC when assessing the continued independence of a Director who has served for more than nine (9) years from the date of first appointment.

The NC has determined that the Independent Directors are independent in accordance with the Code. The Independent Non-Executive Directors, Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry, Prof Toh Chooi Gait and Mr Tan Teck Koon have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. With the Independent Directors making up half of the Board, the NC is of the view that there is a strong and independent element on the Board.

For FY2022, the Independent Directors who have served for more than 9-year tenure were rigorously assessed by the NC and the Board to determine if they possess positive personal attributes such as independent thinking and keen observation, and if they had demonstrated the ability to maintain integrity and strong principles.

Based on the Directors' performance assessment and the rigorous review process for FY2022, the NC and the Board were satisfied that the Directors who had served for more than 9-year tenure, namely Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry and Prof Toh Chooi Gait, had continued to maintain independence in their oversight role and to add value to the Company. They had demonstrated strong independence character and judgement over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. Each Independent Director had recused himself/herself in the determination of his/her own independence.

In addition, the continued appointment as Independent Director of Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry and Prof Toh Chooi Gait, were passed via two-tier voting by all shareholders and by shareholders, excluding the directors and the chief executive officer of the Company and their associates, at the Company's annual general meetings held on 26 April 2021 and 29 April 2022 respectively. Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry and Prof Toh Chooi Gait, remain as Independent Directors until the conclusion of the AGM of the Company for the financial year ending 31 December 2023 pursuant to the Transition Practice Note 4 Transitional Arrangements regarding the Tenure Limit for Independent Directors.

The profiles of the Directors are set out on pages 8 to 11 of this Annual Report.

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Chairman and Chief Executive Officer

Principle 3 *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

There is a clear division of responsibilities between the Chairman and Group CEO, which is documented in writing and which ensures there is a balance of power and authority, such that no one individual represents a considerable concentration of power. Mr Narayanan Sreenivasan, the Independent Non-Executive Chairman, and Dr Ng Chin Siau, the Group CEO, are not related to each other.

The Group CEO is responsible for the business management and day-to-day operations of the Company. He takes a leading role in developing and expanding the businesses of the Group including making major business and finance decisions. He also oversees the execution of the Company's corporate and business strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Company's businesses.

The Chairman leads the Board discussion and also ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He chairs the Board meetings and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues, and promotes a culture of openness and debate at the Board. He also assists in ensuring compliance with the Group's guidelines on corporate governance. He encourages constructive relations within the Board and between the Board and the Management, and ensures effective communications between the Company and its shareholders. The Chairman is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Management is inappropriate or inadequate.

The Board has not appointed a Lead Independent Director as the roles of the Chairman and CEO are distinctly separate; the Chairman is not part of executive management and is an Independent Director; the Board has a strong element of independence with four (4) out of seven (7) Directors being independent; and the Board's discussions are open and frank. The Independent Directors also hold meeting(s) without the presence of the other Directors, and provide feedback to the Chairman after the meeting(s). The Board will review the need for a Lead Independent Director as part of its continuous assessment of corporate governance best practices.

Board Membership

Principle 4 *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

All NC members are Independent Non-Executive Directors, all of whom are independent of the Management. The NC comprises the following members:

Prof Toh Chooi Gait	(Chairperson)
Mr Narayanan Sreenivasan	(Member)
Mr Ng Weng Sui Harry	(Member)

The NC meets at least once a year. The principle functions of the NC under its term of reference include, but are not limited to, the following:

- (a) recommending to the Board on all board appointments, including re-nominations of existing Directors for re-election in accordance with the Constitution of the Company, having regard to the Director's contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) deciding whether the Director is able to and has been adequately carrying out his/her duties particularly when he/she has multiple board representations;
- (d) implementing a process for evaluation and assessing the performance of the Board and contribution of each Director to the effectiveness of the Board;

REPORT ON CORPORATE GOVERNANCE

- (e) reviewing and approving any new employment of related persons and their proposed terms of employment;
- (f) reviewing and recommending to the Board succession plans for Directors, in particular, the Chairman, the Group CEO and key management personnel; and
- (g) the review of training and professional development programs for the Board.

The NC is charged with determining the independence of the directors as set out under the Code. The Board, after taking into consideration the views of the NC, is of the view that Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry, Prof Toh Chooi Gait and Mr Tan Teck Koon are independent and that, no individual or small group of individual dominates the Board's decision-making process.

The NC reviews the need for appointment of additional director(s) from time to time and has in place policies and procedures for the selection, appointment and re-appointment of Directors to the Board, including a search and nomination process. The NC will seek to identify the competence required for the Board to fulfil its responsibilities. The NC can also engage recruitment consultants or engage other independent experts to undertake research on, or assess candidates for new positions on the Board. New Directors are appointed by way of Director's resolution, after the NC has reviewed and nominated them by taking into consideration the qualification and experience of each candidate. The Constitution of the Company has stated clearly the procedures for the appointment of new Directors, re-election and removal of Directors.

In accordance with the Company's Constitution, one-third (1/3) of the Directors (excluding the CEO or any Director who is acting in the same capacity as the CEO), or if their number is not three or a multiple of three, then the number nearest one-third are required to retire by rotation and shall be eligible for re-election at every annual general meeting of the Company. Further, all Directors are required to retire from office at least once every three (3) years and such Directors will be eligible for re-election at the meeting at which he retires. Director(s) appointed by the Board during the financial year, shall only hold office until the next annual general meeting and thereafter be eligible for re-election at that annual general meeting.

The Board has accepted NC's recommendation to seek shareholders' approval to re-elect Dr Ng Chin Siau, Prof Toh Chooi Gait, Mr Narayanan Sreenivasan and Mr Tan Teck Koon at the Company's forthcoming AGM.

In making the above recommendation, the NC has considered the respective Director's overall performance and contributions. Prof Toh Chooi Gait and Mr Narayanan Sreenivasan had abstained from the NC's deliberation in respect of his/her performance assessment and re-nomination as a Director of the Company respectively.

Prof Toh Chooi Gait will, upon re-election as Director of the Company, remain as the Independent Non-Executive Director, the Chairman of the NC and RC, and a member of the AC. Prof Toh Chooi Gait will be considered independent for the purpose of Rule 704(8) of the Mainboard Rules. She has no relationship with the Company, its related corporations, its substantial shareholders or its officers.

Mr Narayanan Sreenivasan, upon re-election as Director of the Company, remain as the Independent Chairman of the Board and member of AC, NC and RC. Mr Narayanan Sreenivasan will be considered independent for the purpose of Rule 704(8) of the Mainboard Rules. He has no relationship with the Company, its related corporations, its substantial shareholders or its officers.

Mr Tan Teck Koon, upon re-election as Director of the Company, remain as an Independent Non-Executive Director. Mr Tan Teck Koon will be considered independent for the purpose of rule 704(8) of the Mainboard Rules. He has no relationship with the Company, its related corporations, its substantial shareholders or its officers.

Dr Ng Chin Siau will, upon re-election as Director of the Company, remain as a Non-Independent Executive Director and the Group CEO.

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The following information relating to Dr Ng Chin Siau, Prof Toh Chooi Gait, Mr Narayanan Sreenivasan and Mr Tan Teck Koon each of whom is standing for re-election as a Director in accordance with the Constitution and/or pursuant to Rule 720(5) of the Mainboard Rules; at the AGM, is provided pursuant to Rule 720(6) of the Mainboard Rules:

Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
Date of Appointment	7 January 2008	25 June 2013	14 October 2009	1 May 2022
Date of last re-appointment (if applicable)	16 June 2020	16 June 2020	26 April 2021	-
Age	55	73	62	64
Country of principal residence	Singapore	Malaysia	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the NC's recommendation and assessment of Dr Ng Chin Siau's overall performance and contribution, and is satisfied that this appointment will be beneficial to the Board and to the Company.	The NC and the Board have determined that Prof Toh Chooi Gait remains objective and independent-minded in Board deliberations. Her vast experience enables her to provide the Board and the various Board Committees on which she serves, with pertinent experience and competence to facilitate sound decision-making and that her length of service does not in any way interfere with her exercises of judgment nor hinder her ability to act in the best interests of the Company. The NC and the Board proposed for the re-election and re-nomination in accordance to the Company's Constitution of Prof Toh Chooi Gait as an Independent Director, the Chairperson of NC and RC and a member of AC.	The NC and the Board have determined that Mr Narayanan Sreenivasan remains objective and independent-minded in Board deliberations. His vast experience enables him to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and that his length of service does not in any way interfere with his exercises of independent judgment nor hinder his ability to act in the best interests of the Company. The NC and the Board proposed for the re-election and re-nomination in accordance to the Company's Constitution of Mr Narayanan Sreenivasan as Independent Chairman of the Board and a member of the AC, NC and RC.	The Board has considered the NC's recommendation and assessment of Mr Tan Teck Koon's overall performance and contribution, and is satisfied that this appointment will be beneficial to the Board and the Company.

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the corporate direction of the Group. Dr Ng Chin Siau leads the Group in all aspects of its business strategies, policy planning and business development in Singapore, Malaysia and the People's Republic of China.	Non-Executive	Non-Executive	Non-Executive
Job Title	Non-Independent Executive Director and Group CEO	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Professional qualifications	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report
Working experience and occupation(s) during the past 10 years	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report	Please refer to the "Board of Directors" section of this Annual Report
Shareholding Interest in the listed issuer and its subsidiaries	Yes Please refer to the "Directors' Statement" section of this Annual Report	No	Yes Please refer to the "Directors' Statement" section of this Annual Report	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the listed issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<ul style="list-style-type: none"> Husband of Foo Siew Jiuan, General Manager of the Company Brother of Ng Sook Hwa, Chief Financial Officer of the Company Brother in law of San Yi Leong (husband of Ng Sook Hwa), Deputy CEO and Executive Director of Aoxin Q & M Dental Group Limited, an associate of the Company. 	No	No	No

Note:

Mr San Yi Leong retired as the Deputy CEO and Executive Director of Aoxin Q & M Dental Group Limited on 28 April 2022.

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
	<ul style="list-style-type: none"> • Brother of Ng Sui Hing, Senior Finance Manager of Q & M Dental Group (Malaysia) Sdn Bhd • Brother in law of Kow Ngan Chai (husband of Ng Sui Hing), Business Development Manager of Q & M Dental Group (Malaysia) Sdn Bhd • Brother in law of Foo Sien Loon (brother of Foo Siew Jiuan), Group General Manager of Q & M Dental Group (Malaysia) Sdn Bhd 			
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Rule 720(1) of the Mainboard Rules)	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years) and Present	<p><u>Past Directorship</u> NIL</p> <p><u>Present Directorship</u> (1) Q & M Dental Group (China) Pte. Ltd. (2) Q & M Dental Holdings (Malaysia) Pte. Ltd. (3) Q & M Free Dental Clinic Limited (4) EM2AI Pte. Ltd. (5) Acumen Research Laboratories Pte. Ltd. (6) Acumen Diagnostics Pte. Ltd.</p>	<p><u>Past Directorship</u> NIL</p> <p><u>Present Directorship</u> NIL</p> <p><u>Principal Commitments</u> (1) Professor of Restorative Dentistry, International Medical University Malaysia (“IMU”) (2) Chairman of IMU Foundation Management Committee</p>	<p><u>Past Directorship</u> (1) MUFG Fund Services (Singapore) Pte. Ltd. (2) Hydroinformatics Institute Pte. Ltd. (3) Cennerv Pharmaceuticals Ltd.</p> <p><u>Present Directorship</u> (1) K&L Gates Straits Law LLC (2) Law Society Pro Bono Services (3) Singapore Business Federation Foundation Limited</p>	<p><u>Past Directorship</u> SAL Ventures Ltd.</p> <p><u>Present Directorship</u> (1) KYNA Pte. Ltd. (2) INEX Innovate Pte. Ltd. (3) Hua & Hua Consulting (Singapore) Pte. Ltd. (4) SEEDS Capital Pte. Ltd. (5) IPI (6) China Life Insurance (Singapore) Pte. Ltd. (7) Intellectual Property Office of Singapore (IPOS)</p>

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
	(7) Quan Min Holdings Pte. Ltd. (8) Q & M Professionals Holding Pte. Ltd.		(4) KLS Corporate Services Pte. Ltd. (5) FSL Trust Management Pte. Ltd. <u>Principal Commitments</u> Managing Director at K&L Gates Straits Law LLC	(8) Committee for Private Education, SkillsFuture Singapore (9) Champquest Sdn Bhd (10) Wang Learning Centre Pte. Ltd. <u>Principal Commitments</u> Chairman of IPI & KYNA Pte. Ltd.
Disclosure on the following matters concerning the Director:				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No

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Name of Director	Dr Ng Chin Siau	Prof Toh Chooi Gait	Mr Narayanan Sreenivasan	Mr Tan Teck Koon
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
(Applicable to appointment of director only) Any prior experience as a Director of an issuer listed on the Exchange? If Yes, please provide details of prior experience. If No, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable)	Not applicable	Not applicable	Not applicable	Not applicable

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Alternate directors may be appointed as and when the Board deems necessary. During FY2020, the Board accepted and approved the NC's recommendation for the appointment of Dr Kuan Chee Keong as alternate director to Dr Ng Chin Siau and the appointment of Dr Chong Kai Chuan as alternate director to Dr Ang Ee Peng Raymond.

The NC reviews and determines annually whether Directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his/her actual conduct on the Board, in making this determination.

For FY2022, the NC was satisfied that, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out, his/her duties as a Director of the Company. As the time requirement of each Director are subjective, the NC has decided not to fix a maximum limit on the number of directorships a Director can hold. The NC considers that the multiple board representations held presently by its Directors do not impede their respective performance in carrying out their duties for the Company. Based on the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2022.

Key information regarding the Directors, including their present and past three (3) years' directorship(s) in other listed companies and other principal commitments are set out below:

Director	Position	Date of initial appointment	Date of last re-election	Current directorships in other listed companies	Directorships in other listed companies over the past three (3) years	Principal commitments
Dr Ng Chin Siau	Non-Independent Executive Director and Group CEO	7 January 2008	16 June 2020	NIL	NIL	NIL
Dr Ang Ee Peng Raymond	Non-Independent Executive Director and Chief Operating Officer	13 June 2008	29 April 2022	NIL	NIL	NIL
Mr Narayanan Sreenivasan	Independent Non-Executive Chairman	14 October 2009	26 April 2021	NIL	NIL	- Managing Director at K&L Gates Straits Law LLC
Mr Ng Weng Sui Harry	Independent Non-Executive Director	14 October 2009	29 April 2022	- Oxpay Financial Limited (formerly known as MC Payment Limited) - Oxley Holdings Limited - Medi Lifestyle Limited (formerly known as IEV Holdings Limited)	NIL	- Executive Director at HLM (International) Corporate Services Pte Ltd - Singapore Dental Council - NCC Research Fund - NCCS Cancer Fund

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Director	Position	Date of initial appointment	Date of last re-election	Current directorships in other listed companies	Directorships in other listed companies over the past three (3) years	Principal commitments
				- HG Metal Manufacturing Limited		
Prof Toh Chooi Gait	Independent Non-Executive Director	25 June 2013	16 June 2020	NIL	NIL	- Professor of Restorative Dentistry, International Medical University Malaysia ("IMU") - Chairman of IMU Foundation Management Committee
Mr Tan Teck Koon	Independent Non-Executive Director	1 May 2022	-	NIL	NIL	- Chairman of IPI and KYNA Pte. Ltd.
Mr Chik Wai Chiew	Non-Independent Non-Executive Director	14 August 2017	26 April 2021	NIL	NIL	- Executive Director and Chief Executive Officer at Heritas Capital Management Pte. Ltd.
Dr Kuan Chee Keong	Alternate Director to Dr Ng Chin Siau	19 August 2020	NA	NIL	NIL	- Dentist at the Company
Dr Chong Kai Chuan	Alternate Director to Dr Ang Ee Peng Raymond	19 August 2020	NA	NIL	NIL	- Dentist at the Company

NA: Not applicable

REPORT ON CORPORATE GOVERNANCE

Board Performance

Principle 5 *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

The Board has established processes including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors. The Board and individual Directors can direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

The NC examines the Board's and the Board Committees' performances covering areas that include the size and composition of the Board, the Board's access to information, Board processes and accountability annually. The NC review and evaluate the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole.

For the evaluation process, the Directors will complete a board evaluation questionnaire which seeks to assess the effectiveness of the Board and the Board Committees. The results are then collated by the Company Secretary(ies) who will submit to the Chairman of the NC in the form of a report. The report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board and/or the Board Committees.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC Chairman. The performance of the Directors is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The assessment criteria include, *inter alia*, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork and overall contributions.

The NC would review the aforementioned criteria on periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval. There has been no change in assessment criteria for FY2022 as the assessment criteria for FY2021 was considered adequate for the aforementioned assessment.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the Board Committees and each individual Director has been satisfactory in FY2022. The NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's businesses, the scope of operations, as well as changing regulatory requirements from time to time. In consultation with the NC, the Chairman will act on the results of the performance evaluation, propose for new members to be appointed to the Board or seek the resignation of Directors, where appropriate.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

All RC members are Independent Non-Executive Directors. The RC comprises the following members:

Prof Toh Chooi Gait	(Chairperson)
Mr Narayanan Sreenivasan	(Member)
Mr Ng Weng Sui Harry	(Member)

The RC meets at least once a year. The principle functions of the RC under its term of reference include, but are not limited to, the following:

- (a) to recommend to the Board a framework of remuneration for the Board and key management personnel, determine specific remuneration packages for each Executive Director and submit such recommendations for endorsement by the entire Board covering all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- (b) to perform annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities which include review and approve any bonuses, pay increases and/or promotions for these employees;
- (c) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will expire or have expired;
- (d) to recommend the remuneration of Non-Executive Directors appropriate for the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors; and
- (e) to consider the various disclosure requirements for Director's and senior management's remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

In discharging its duties, the RC will review and make recommendations on the specific remuneration packages for the Directors and key management personnel. The recommendations of the RC will be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind, will be covered by the RC.

Where applicable, the RC will also review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

Each member of the RC shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of his/her remuneration package.

The RC may from time to time, and where required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. If external consultants are appointed, the RC will ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. The expense of such services shall be borne by the Company. The RC did not seek the service of an external remuneration consultant in FY2022.

REPORT ON CORPORATE GOVERNANCE

Level and Mix of Remuneration

Principle 7 The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key management personnel. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performance executives so as to drive the Group's businesses to greater growth, efficiency and profitability.

The RC seeks to ensure that the level and mix of remuneration of Executive Directors and key management personnel is competitive, relevant and appropriate in linking awards with performance and that the amount and mix of compensation is aligned with the interests of shareholders and promotes the long-term success of the Group.

The remuneration of the Executive Directors, namely the Group CEO, and the Chief Operating Officer are set out in their one (1) year service agreements with automatic renewal annually on such terms and conditions as the parties may agree commencing from 1 April 2011 (unless otherwise terminated by either party giving not less than six (6) months' notice to the other), and consists mainly of salary. In accordance with the said service agreement, each of them is entitled to receive a variable bonus at such rates or on such terms as may be determined and approved by the RC of the Company. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for Shareholders.

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and comparable companies and the broad guidelines recommended by the Singapore Institute of Directors. The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution and responsibilities of the Non-Executive Directors.

The Director's fee for each of the Non-Executive Director shall be agreed or determined by the RC of the Company. No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him.

The Company will submit the quantum of Directors' fees to the shareholders for approval at the annual general meeting annually. The Board concurred with the RC that the proposed directors' fees for FY2022 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors.

REPORT ON CORPORATE GOVERNANCE

Disclosure on Remuneration

Principle 8 *The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

The compensation packages for employees including the Executive Directors and the key management personnel comprise a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

A breakdown showing the level and mix of each individual Director's remuneration payable for FY2022 is as follows:

	Salary	Bonus	Benefits ¹	Professional Fees ²	Directors' Fees ⁺	Total	Total
Name	%	%	%	%	%	%	S\$
Mr Narayanan Sreenivasan	0	0	0	0	100	100	75,000
Mr Ng Weng Sui Harry	0	0	0	0	100	100	75,000
Prof Toh Chooi Gait	0	0	0	0	100	100	75,000
Mr Tan Teck Koon	0	0	0	0	100	100	43,333
Dr Ng Chin Siau	24	74	1	0	1	100	735,400
Dr Ang Ee Peng Raymond	53	31	3	6	7	100	438,069
Mr Chik Wai Chiew	0	0	0	0	0	0	0
Dr Kuan Chee Keong (Alternate Director to Dr Ng Chin Siau)	0	0	0	100	0	100	83,459
Dr Chong Kai Chuan (Alternate Director to Dr Ang Ee Peng Raymond)	0	0	0	91	9	100	321,951

⁺ The Directors' Fees are subject to approval by shareholders at the AGM

REPORT ON CORPORATE GOVERNANCE

Remuneration Band of key management personnel is set out below:

Name	Remuneration Band		Salary	Bonus	Benefits ¹	Total
	Below \$250,000	Between \$250,000-\$500,000	%	%	%	%
Ms Foo Siew Jiuan		√	68	26	6	100
Ms Ng Sook Hwa		√	67	26	7	100
Mr Vitters Sim Yu Xiong ³	√		82	13	5	100

As the Company has less than five (5) key management personnel, the above table discloses the remuneration details of all of the Company's key management personnel. The Board has carefully considered all relevant factors and determined that Dr Ong Siew Hwa does not constitute a key management personnel of the Company within the meaning of the Code, as Dr Ong Siew Hwa does not have the authority and responsibility for planning, directing and controlling the activities of the Company.

Remuneration Band of employees who are substantial shareholders or who are immediate family members of Dr Ng Chin Siau, the Group CEO and Executive Director of the company is set out as follows:

Name	Remuneration Band	Salary	Bonus	Benefits ¹	Total
	Between \$300,000-\$400,000	%	%	%	%
Ms Foo Siew Jiuan ⁴	√	68	26	6	100
Ms Ng Sook Hwa ⁴	√	67	26	7	100

1. Benefits refer to mainly employer's contribution to the Central Provident Fund.
2. Professional fees refer to fees received as a practising dentist from certain wholly-owned subsidiaries of the Company.
3. Mr Vitters Sim Yu Xiong retired as Chief Financial Officer of the Company on 6 May 2022.
4. Key management personnel who are related to the Group CEO and Executive Director, Dr Ng Chin Siau:
 - (i) Ms Foo Siew Jiuan is the wife of Dr Ng Chin Siau.
 - (ii) Ms Ng Sook Hwa is a sister of Dr Ng Chin Siau.

The total remuneration paid to the top five (5) key management personnel was S\$717,000 for FY2022.

The remuneration of the Company's top five (5) key management personnel takes into account the pay and employment conditions within the industry and is performance-related.

All Directors and the key management personnel are remunerated on an earned basis and there was no termination, retirement and post-employment benefits granted during FY2022.

Save as disclosed, there are no employees who are immediate family members of a Director or the Group CEO, and whose remuneration exceeds S\$100,000 during the year.

The Board has sought to link the quantum of salary to the current market for the Executive Directors and key management personnel taking into consideration their respective roles and responsibilities. Bonuses are paid based on the individual performances and the performance of the Company as a whole.

REPORT ON CORPORATE GOVERNANCE

The Board adopted the Q & M Employee Share Option Scheme 2018 ("**2018 Option Scheme**") to replace the previous Q & M Employee Share Option Scheme ("**Previous Scheme**"). The 2018 Option Scheme is to provide an opportunity for Employees and Directors who have contributed significantly to the growth and performance of the Group, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. In addition, the 2018 Option Scheme will help the Group to attract and retain the services of appropriate, qualified and experienced employees who would be able to contribute to the Group's business and operations.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Management provides the Board with updates covering operational performance, financial results, marketing and business development and other relevant information on a regular basis as the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

Risk assessment and evaluation has become an essential part of the business planning and monitoring process. The Group has put in place a documentation on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the Board annually. Having regard to the risks which the Group is exposed to, the likelihood of such risks occurring and the risk tolerance accepted by the Group, the internal controls structure of the Group has been designed and put in place by the Group to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Management that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks.

The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities.

The Company has appointed an independent third party, CLA Global TS Risk Advisory Pte. Ltd. (formerly known as Nexia TS Risk Advisory Pte. Ltd. ("**CLA Global**" or "**IA**") to perform internal audit reviews and to highlight all significant matters to the Management and the AC. Based on the work performed by the IA, the Board is satisfied with the Company's levels of risk tolerance and risk policies, and has overseen the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has received assurance from the Group CEO and the CFO that, as at 31 December 2022, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the Group CEO and the CFO, who are responsible, that the Group's risk management and internal control systems were adequate and effective as at 31 December 2022 to address the risks that the Group considers relevant and material to its operations.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

REPORT ON CORPORATE GOVERNANCE

The Company prohibits its officers from dealing in the Company's shares on short term considerations. They are required to observe insider trading provisions under the Securities and Futures Act 2001 of Singapore at all times even when dealing in the Company's securities in the permitted periods.

Audit Committee

Principle 10 *The Board has an Audit Committee ("AC") which discharges its duties objectively.*

Functions of the AC

The role of the AC is to assist the Board with regard to the discharge of its responsibility to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Company, and that the Management demonstrates and stimulates the necessary aspect of the Company's internal control structure among all parties.

All AC members are Independent Non-Executive Directors. The AC comprises the following members:

Mr Ng Weng Sui Harry	(Chairman)
Mr Narayanan Sreenivasan	(Member)
Prof Toh Chooi Gait	(Member)

The Board is of the view that the AC Chairman and members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment and corporate legal expertise and experience to discharge the AC's functions. The AC Chairman, a Fellow Member with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accounts (UK), having more than 30 years of experience in accountancy, audit and finance, is well qualified to chair the AC. Mr Narayanan Sreenivasan, a member of the AC, has vast financial management experience. He is currently a member of the audit and risk committee of First Ship Lease Trust and was previously a member of the audit committee of UMS Holdings Limited. He has also served on the finance committee and audit committee of the Singapore Red Cross and was the treasurer of the Law Society of Singapore. He is currently a member of the board and audit committee of the Law Society Pro Bono Services Office. He is also the managing director at K & L Gates Straits Law LLC and manages all aspects of its finances.

The AC meets at least half-yearly to discuss and review the following where applicable:

- (a) review with the external and internal auditors, the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;
- (b) review the quarterly, half yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and the Mainboard Rules and any other relevant statutory or regulatory requirements;
- (c) review at least annually the internal control procedures and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
- (d) review and discuss with external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- (e) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors;

REPORT ON CORPORATE GOVERNANCE

- (f) review transaction falling within the scope of Chapter 9 of the Mainboard Rules;
- (g) review any potential conflict of interests;
- (h) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (i) review the Company's key financial risk areas, with a view to providing an independent oversight on the Company's financial reporting. The outcome of these reviews will be disclosed in the annual report of the Company or where the findings are material, immediately announced via SGXNet;
- (j) generally to undertake such other functions and duties as may be required by statute or the Mainboard Rules, or by such amendments as may be made thereto from time to time;
- (k) review the Rule 716 of the Mainboard Rules that if different auditors are appointed for its subsidiaries or significant associated companies, the AC must be satisfied that the appointment would not compromise the standard of effectiveness of the audit;
- (l) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (m) review the significant financial reporting issues and judgement so as to ensure the integrity of the financial statements of the Company and any formal announcement relating to the Company's financial performance;
- (n) review the scope and results of the audit, its cost effectiveness, the independence and objectivity of the external auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, the nature and extent of such services should be reviewed in order to balance the maintenance of objectivity and value for money;
- (o) ensure that the internal auditor's primary line of reporting should be to the AC. The internal auditor should meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors;
- (p) review and report to the Board annually on the effectiveness and adequacy of the Group's risk management and internal controls systems in addressing the financial, operational, compliance and information technology risk;
- (q) investigate any matter within its terms of reference, having full access to and co-operation from the Management and full discretion to invite any Executive Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly; and
- (r) provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith, a whistle blowing reporting policy has been established by the Company for its employees.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice, if it deems necessary, in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation from the Management and has full discretion to invite any Executive Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also meets with the internal and external auditors without the presence of the management at least once a year to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems.

REPORT ON CORPORATE GOVERNANCE

External Auditors

The AC, having reviewed the range and value of non-audit services performed by the external auditors, RSM Chio Lim LLP, was satisfied that the nature and extent of such services has not prejudiced the independence and objectivity of external auditors. Therefore, the AC recommends the re-appointment of RSM Chio Lim LLP as external auditors at the AGM. There is no disagreement between the Board and AC regarding the selection, appointment, resignation or dismissal of external auditors. During the financial year under review, the Company has incurred an aggregate S\$414,000 payable to the external auditors for its audit services. The Company confirms that it has complied with Rules 712 and 715 of the Mainboard Rules in engaging RSM Chio Lim LLP, registered with the Accounting and Corporate Regulatory Authority, Singapore, as the external auditors of the Company and local subsidiaries. The Company also confirmed that it has complied with Rule 716 of the Mainboard Rules in engaging different auditing firms for its foreign subsidiaries.

None of the AC members were previous partners or directors of the existing external auditing firm and none of the AC members hold any financial interest in the external auditing firm.

Internal Audit

The Company's internal audit function is outsourced to CLA Global that reports directly to the AC. The Board is of the view that the outsourcing of the internal audit function had deliver enhanced independence as well as improve the quality of the audit as the IA is adequately qualified and equipped with a broad range of expertise with advanced degrees and technological specialisation to discharge its duties effectively.

The Board recognises that it is responsible for maintaining robust internal controls to safeguard shareholders' investment and the Company's business and assets. The AC approves the hiring, removal, evaluation and compensation of the internal auditors and reviews and approves the internal audit's plan during the AC meeting for each financial year. The AC also ensures that the internal auditors have unfettered access to all the Company's documents, records, properties and personnel including access to the AC.

The primary functions of internal audit are to:

- (a) assess if adequate systems of internal controls are in place to protect the funds and assets of the Company and to ensure control procedures are complied with;
- (b) conduct regular in-depth audits of high-risk areas; and
- (c) identify and recommend improvement to internal control procedures, where required.

The AC has reviewed the report submitted by CLA Global on internal procedures and the internal controls in place, and is satisfied that there are adequate internal controls in the Company. The AC will review on an annual basis the adequacy and effectiveness of the internal audit function.

The AC is also of the view that the outsourced internal audit function is independent, effective, adequately resourced, has appropriate standing within the Company and is staffed with persons with the relevant qualifications and experience, and adheres to professional standards including those promulgated by the relevant local or international recognised professional bodies.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy to provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The Company will treat all complaints and information received confidentially and protect the identity of all whistle-blowers. The Chairman of AC and Chief Finance Officer of the Company is responsible for the oversight and monitoring of the whistle-blowing policy and implementation of the policy. All complaints or information would be forwarded to the Chairman of AC or Chief Finance Officer of the Company.

There was no reported incident pertaining to whistle blowing during FY2022 and until the date of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 *The Company treats all Shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information that present a balanced and understandable assessment of the Company's performance, position and prospects and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Mainboard Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the legally prescribed periods.

Any notice of general meeting is issued at least fourteen (14) clear days before the scheduled date of such meeting. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon. All Shareholders who are not relevant intermediaries can appoint up to two (2) proxies during his/her absence to attend, speak and vote in general meeting in compliance with Companies Act 1967 of Singapore. Shareholders who are relevant intermediaries may appoint more than two (2) proxies to attend, speak and vote at general meetings. Voting in *absentia* by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent. Notwithstanding the foregoing, for the Company's general meetings which are convened and held pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), Shareholders may only appoint the chairman of the meeting as their proxy to attend, speak and vote on their behalf at the general meeting.

The Company ensures that Shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. The Chairman briefs the Shareholders on the rules, including voting procedures, that govern general meetings of shareholders and addresses any queries that they may have on the procedures. The Company ensures that there are separate resolutions at general meetings on each distinct issue. All resolutions are put to vote by poll in the presence of independent scrutineers, and the voting results will be announced via SGXNet after the conclusion of the general meeting.

The Company's general meetings (annual general meeting and/or extraordinary general meeting where applicable), are the principal forums for dialogue with shareholders. In FY2022, the Company's AGM in respect of FY2021 ("**AGM 2022**") was convened and held by way of electronic means on 29 April 2022, pursuant to the Order. The alternative arrangements put in place for the conduct of AGM 2022 included attendance at the AGM 2022 via electronic means under which shareholders could observe and/or listen to the AGM 2022 proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2022, addressing of substantial and relevant questions prior to the AGM 2022 and voting by appointing the chairman of the meeting as proxy. All Directors attended the AGM 2022 either in-person or via electronic means. With the improving of COVID-19 situation in Singapore, the forthcoming AGM in respect of FY2022 will be held in a wholly physical format and there will be no option for shareholder to participate virtually.

Shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability and to stay apprised of the Company's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the general meetings will be announced on SGXNet.

The proceedings of the general meeting will be properly recorded, including all substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. The minutes of the Company's annual general meeting are made publicly available on the Company's website.

REPORT ON CORPORATE GOVERNANCE

The Company has adopted a dividend policy of paying dividends of at least 30% of the Group's core operating earnings, excluding other one-time income and share of associate profits. The Company had on (a) 11 May 2022 announced an interim dividend of S\$0.004 per share, such dividend having been paid on 3 June 2022, and (b) 1 March 2023 announced an interim dividend of S\$0.006 per share, such dividend having been paid on 24 March 2023.

Engagement with Shareholders

Principle 12 *The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.*

The Company does not practise selective disclosure. In line with the continuous obligations of the Company pursuant to the Mainboard Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Company.

Information is disseminated to shareholders on a timely basis through:

- Announcements and news releases on SGXNet.
- Annual report and circulars prepared and issued to all shareholders.
- Notices of shareholders' meetings are published on the Company's website, in the local newspapers and announced via SGXNet.

Regular briefings are also organised for media and analysts to ensure a better appreciation of the Company's performance and developments. The Company has a team of investor relations personnel who focus on facilitating the communications with all stakeholders – shareholders, regulators, analysts and media, etc – on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance. To enhance and encourage communication with Shareholders and investors, the Company provides the contact information (**Email: melanie@qnm.sg Tel: 6705 9888**) of its investor relations personnel. The Board has also taken to solicit and understand the views of the shareholders through analyst briefings and investor roadshows conducted by the Management.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13 *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Company's key stakeholders are those who most materially impact the Company's strategy or are directly impacted by it. They comprise the Company's shareholders, customers, employees, community and regulators. Engagement with stakeholders provides the Company with an understanding of the matters they are most concerned with. These matters help to define the Company's strategic priorities and guide the Company's initiatives. The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services standards, as well as to sustain business operations for long-term growth.

REPORT ON CORPORATE GOVERNANCE

Our stakeholder issues and engagement platforms are detailed below:

The Company's senior management periodically assesses focus areas where the Company can have the greatest economic, environmental and social impact, as well as areas that are most important to its stakeholders. The Company has made efforts to seek the opinions of many stakeholders either through informal or formal means. The Company evaluate the needs and expectations of its key stakeholder groups which are significant to its value creation strategy and strive to build mutually beneficial relationships.

The Company recognises the importance of a meaningful two-way engagement with its key stakeholders to understand their interests, expectations and also addressing the economic and environmental, social and governance ("ESG") topics that are material to its business and stakeholders, whilst taking into account any pivotal developments within this industry. The Company has made conscious efforts to seek the opinions of its stakeholders through formal and informal engagements as well as establishing an internal review process to integrate stakeholder feedback with its corporate strategies.

The Company's corporate website at www.QandMDental.com.sg also provides updated information to its stakeholders on its latest financial results and corporate developments. The website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

DEALING IN SECURITIES

Rule 1207(19) of the Mainboard Rules

In line with Rule 1207(19) of the Mainboard Rules on Dealings in Securities, for FY2022 the Company issues a quarterly letter to its Directors, executive officers and employees with non-published price sensitive information prohibiting dealings in listed securities of the Company from two (2) weeks or one (1) month, as the case may be, before the announcement of the Company's quarterly and annual financial results and ending on the date of the announcement of the relevant results.

The Directors and employees are expected to observe the insider trading laws at all times even when dealing in the Company's securities within permitted trading period.

RISK MANAGEMENT

Rule 1207(4)(b)(iv) of the Mainboard Rules

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

MATERIAL CONTRACTS

Rule 1207(8) of the Mainboard Rules

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Group CEO, any Director, or controlling shareholder subsisting at the end of financial year ended 31 December 2022. There was no such contract subsisted at the end of the financial year under review.

REPORT ON CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

Rule 907 of the Mainboard Rules

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Mainboard Rules.

Particulars of the interested person transactions for the financial year ended 31 December 2022, disclosed in accordance with Rule 907 of the Listing Manual of the SGX-ST were set out below.

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Mainboard Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Mainboard Rules (excluding transactions less than \$100,000)
Ang Ee Peng Raymond	Non-Independent Executive Director and Chief Operating Officer	\$150,000	Nil

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company firmly upholds the belief that CSR is an integral aspect of any reputable business and is dedicated to making significant contributions to Singapore and society at large.

During the height of the Covid-19 pandemic, the Company forged a partnership with the government to implement virus-testing protocols and donated surgical masks and essential equipment to various charitable organisations in Singapore. In addition, the Company provided free essential dental healthcare to a significant number of foreign workers during the pandemic. As Singapore transitions to a "Living with Covid" approach, the Company is refining its focus and support towards other areas.

In the year 2022, the Company has achieved the milestone of opening 100 clinics in Singapore. In commemoration of this noteworthy accomplishment, the Company has generously sponsored the planting of 100 trees in support of the OneMillionTrees movement, a nationwide initiative spearheaded by NParks to plant a million trees in Singapore over the next decade. The planting of trees will not only add lush greenery but also provide shade to the residents in the Whampoa area. This initiative recognises the importance of sustainable development in the pursuit of growth, while also implementing measures to reduce the overall environmental impact.

In June 2022, a total of 23 dentists and nurses from the Company volunteered their expertise and time in collaboration with the Foreign Worker Association (FAST) to provide wisdom tooth removal for 150 foreign workers who required extraction. This initiative is consistent with the Company's goal of helping those who are less well-off be able to access quality dental healthcare and receive treatment when needed.

The Company has also allocated a sum of S\$50,000 for the purpose of awarding eligible children of its employees. In line with this, the first-ever Q & M Scholarship and Bursary Award Ceremony was organised in June 2022 to acknowledge and financially support deserving children of the Company's employees in their educational pursuits. During the event, a total of 16 children were recognised and awarded for their outstanding academic performance, including those who achieved merit records in their education. The ceremony provided a great encouragement and affirmation to these children, underscoring the Company's commitment to supporting their growth and development. The Company is eagerly looking forward to continuing this tradition of recognising and supporting more deserving students in the coming years.

REPORT ON CORPORATE GOVERNANCE

While Singapore now moved on from the more draconian Safe Management Measures (SMM) introduced in the initial stages of Covid-19, the Company places the highest priority in the health and safety of our employees and patients. The Company has not only preserved, but also refined numerous health and safety protocols throughout its operations, with the primary objective of ensuring the sustained well-being of all concerned.

In the upcoming year, the Company aims to sustain its efforts in making meaningful contributions to the community. This will include supporting various initiatives related to education, environment, health and safety, and social welfare, with a special focus on providing assistance to those in greater need.

SUSTAINABILITY REPORTING

This is the sixth year the Company is publishing its sustainability report and it will continue to address the activities, data and measurements, where applicable, that fall within its financial year ended 31 December 2022. The Company is proud to have continued its efforts in improving the report, giving the requisite “descriptive and quantitative information on how business is conducted” and how its ESG are being managed for a sustainable future, in compliance with the Mainboard Rules and Global Reporting Initiative (“**GRI**”) Sustainability Reporting Standards. The Company will continue to demonstrate its commitment to grow its sustainable business model both as a responsible and a forward-looking corporate citizen. More information on how the Company engages with its stakeholders, as well as its approach to material topics and its overall sustainability performance, can be found in the Company’s Sustainability Report 2022, which will be released by 30 April 2023.

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2022.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Dr Ng Chin Siau
Dr Ang Ee Peng Raymond
Mr Narayanan Sreenivasan
Mr Ng Weng Sui Harry
Professor Toh Chooi Gait
Mr Tan Teck Koon (Appointed on 1 May 2022)
Mr Chik Wai Chiew
Dr Chong Kai Chuan (Alternate director to Dr Ang Ee Peng Raymond)
Dr Kuan Chee Keong (Alternate director to Dr Ng Chin Siau)

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 ("the Act") except as follows:

Name of directors and companies in which interests are held	<u>Direct interest</u>		<u>Deemed interest</u>	
	At beginning of the <u>reporting year</u>	At end of the <u>reporting year</u>	At beginning of the <u>reporting year</u>	At end of the <u>reporting year</u>
The Company – <u>Q & M Dental Group (Singapore) Limited</u>				
		<u>Number of shares of no par value</u>		
Dr Ng Chin Siau	5,528,900	5,528,900	502,627,089	502,627,089
Mr Narayanan Sreenivasan	504,000	504,000	–	–
Mr Ng Weng Sui Harry	360,000	430,000	–	–
Dr Chong Kai Chuan	2,313,960	2,313,960	–	–

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
Ultimate parent company – <u>Quan Min Holdings Pte. Ltd.</u>				
		<u>Number of shares of no par value</u>		
Dr Ng Chin Siau	199,985,714	199,985,714	–	–
Dr Ang Ee Peng Raymond	12,783,551	12,783,551	–	–
Dr Chong Kai Chuan	44,048,030	44,048,030	–	–
Dr Kuan Chee Keong	22,290,465	22,290,465	–	–

By virtue of section 7 of the Act, Dr Ng Chin Siau is deemed to have an interest in the Company as disclosed above and in all the related body corporates of the Company.

The directors' interests as at 21 January 2023 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Save as disclosed in this report, neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Options and Performance Share Plan

Share options

The Company adopted an employee share option scheme known as the "Q & M Employee Share Option Scheme" (the "Option Scheme") on 26 April 2011. The Option Scheme, which forms an integral component of its compensation plan, is designed to reward and retain eligible participants whose services are important to its continued well-being and success. It provides eligible participants who have contributed to the growth and performance of the Group with an opportunity to participate in the equity of the Company so as to motivate these participants to greater dedication, loyalty and higher standards of performance and to give recognition to past contributions and services.

Under the rules of the Scheme, the directors and confirmed employees of the Group are eligible to participate in the Scheme. Controlling shareholders or their associates are also eligible to participate in the Scheme subject to the approval of independent shareholders in separate resolution for each participant.

The total number of shares over which options may be granted shall not exceed 15% of the issued share capital (excluding treasury shares) of the Company on the date immediately preceding the date of grant.

STATEMENT BY DIRECTORS

5. Options and Performance Share Plan (cont'd)

Share options (cont'd)

An Option Scheme committee ("Committee") is charged with the administration of the Option Scheme in accordance with the rules of the Scheme. The Committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the board of directors. The number of shares comprised in options offered to a participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service, potential contribution of the participant provided that: (a) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the Option Scheme (including adjustments under the rules) shall not exceed 25% of the shares available under the Option Scheme; and (b) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the Scheme shall not exceed 10% of the shares available under the Option Scheme.

(a) Exercise Price

The exercise price for each share in respect of which an option is exercisable shall be determined by the Committee at its absolute discretion, on the date of grant, at:-

- (i) the market price; or
- (ii) a price which is set at a discount to the market price (incentive price), the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price. In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek shareholders' approval for the increase in discount at a general meeting.

(b) Exercise Period

Unless otherwise determined in the sole discretion of the Committee, options granted shall be exercised in the following manner:-

- (i) in the case of market price options granted to a participant:- (i) one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the first anniversary of the date of grant of that option; (ii) the next one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; and (iii) the remaining one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company; and
- (ii) in the case of incentive options granted to a participant:- (i) one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the second anniversary of the date of grant of that option; (ii) the next one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the third anniversary of the date of grant of that option; and (iii) the remaining one-third ($\frac{1}{3}$) of such options granted shall only vest and be exercisable by an option holder after the fourth anniversary of the date of grant of that option, provided always that all the options shall be exercised before the second anniversary of the relevant date of vesting, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and an option holder shall have no claim against the Company.

There are special provisions dealing with the lapsing under certain circumstances including ceasing of employment, bankruptcy, and death of the participant.

STATEMENT BY DIRECTORS

5. Options and Performance Share Plan (cont'd)

Performance share plan

The Company adopted a performance share plan known as the "Q & M Performance Share Plan 2018" (the "Plan") on 13 November 2018. The Plan, which forms an integral component of its compensation plan, is designed to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate participants to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group.

Under the rules of the Plan, the directors and employees of the Group are eligible to participate in the Plan. Controlling shareholders or their associates are also eligible to participate in the Plan.

The aggregate number of shares which may be issued or transferred pursuant to awards granted under the Plan on any date, when added to the number of shares issued and/or issuable and/or transferred and transferable in respect of all awards granted under the Plan and all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share schemes or share plans which the Company adopted and for the time being in force or may implement from time to time, including but not limited to Option Scheme, will not exceed 15% of total issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the relevant award date.

A Plan Committee is charged with the administration of the Plan in accordance with the rules of the Plan. The Committee comprising all the members of the Remuneration Committee of the Company from time to time, and duly authorised and appointed by the board of directors. The number of shares offered to a participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as *inter alia*, the rank, scope of responsibilities, performance, years of service, potential contribution for future development, contribution to the success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period of the participant provided that: (a) the aggregate number of shares which may be offered to participants who are controlling shareholders and their associates during the entire operation of the Plan (including adjustments under the rules) shall not exceed 25% of the shares available under the Plan; and (b) the number of shares which may be offered to each participant who is a controlling shareholder or his associate during the entire operation of the Plan shall not exceed 10% of the shares available under the Plan.

Awards represent the right of a participant to receive fully-paid shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period. In addition to the performance targets, in relation to each award, the Plan Committee shall have the discretion to prescribe a vesting period of between 1 to 10 years depending on the importance of the individual participant to the long-term growth of the Group and such other conditions as the Plan Committee may determine.

Shares which are allotted and issued or transferred to a participant are subject to restrictions against disposal or sale or any other dealings by the participant.

On 20 October 2022, the Company issued 2,014,245 ordinary shares from its treasury shares to 7 key dentists of the Group pursuant to the Q & M Performance Share Plan 2018.

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

At the end of the reporting year, there were no unissued shares under option.

STATEMENT BY DIRECTORS

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Mr Ng Weng Sui Harry (Chairman)	(Non-Executive and Independent Director)
Mr Narayanan Sreenivasan	(Non-Executive and Independent Director)
Professor Toh Chooi Gait	(Non-Executive and Independent Director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the Company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 December 2022 to address the risks that the Company considers relevant and material to its operations.

STATEMENT BY DIRECTORS

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 1 March 2023, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report, except for the allowance for impairment for the Company's cost of investment in associates as disclosed in note 15 of the financial statements.

On behalf of the directors

.....
Dr Ng Chin Siau
Director

.....
Dr Ang Ee Peng Raymond
Director

8 April 2023

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Q & M Dental Group (Singapore) Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Assessment of impairment of goodwill

Please refer to Note 2A "Goodwill" and "Carrying amounts of non-financial assets" for relevant accounting policies, Note 2C "Assessment of impairment of goodwill", for discussion of significant accounting estimates, and Note 16 "Goodwill" for the key assumptions used in impairment testing of goodwill.

Key audit matter

The carrying value of goodwill amounted to \$56,582,000 and accounted for approximately 21% of the Group's total assets as at the end of the reporting year.

Goodwill is assessed for impairment annually. The amount is allocated to cash generating units ("CGUs"). Management applies the value in use method to determine the recoverable amount of goodwill. The value in use calculation requires the Group to estimate the future cash flows arising from the CGUs and an appropriate discount rate in order to calculate the recoverable amount of each CGUs. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses in profit or loss.

Management determined the recoverable amounts based on the forecasted revenue, profit margins, terminal growth rates and discount rates using presently available information. These estimates require judgement and the determination of the recoverable amounts is a key focus area for our audit.

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Key audit matters (cont'd)

(a) Assessment of impairment of goodwill (cont'd)

How we addressed the matter in our audit

We discussed with management the processes over the determination of the forecasted revenue growth, profit margins, terminal growth rates and discount rates. As the assessment process is judgmental and is based on assumptions that are affected by expected future market or economic conditions, our audit procedures included, among others, using our in-house valuation specialists to assist us in evaluating the assumptions and methodologies used by management.

We assessed management's estimates applied in the value in use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance and industry benchmarks. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rates used in the impairment assessment and tested the accuracy of the computations.

We also assessed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

(b) Assessment of impairment of investment in subsidiaries and receivables from subsidiaries

Please refer to Note 2A "Subsidiaries" and "Carrying amounts of non-financial assets" for relevant accounting policies, Note 2C "Assessment of impairment of subsidiaries and associates", "Assessment of expected credit loss allowance on trade and other receivables" for discussion of significant accounting estimates, and Notes 14 and 19 on "Investment in subsidiaries", and "Trade and other receivables" for the key assumptions used in impairment testing of investment in subsidiaries and receivables from subsidiaries respectively.

Key audit matter

The net cost of investment and the net total trade and other receivables from subsidiaries amounted to \$61,438,000 and \$80,121,000 respectively as at 31 December 2022. The total net carrying amount of the investments and receivables accounted for approximately 70% of the Company's total assets as at the end of the reporting year. As the balances are significant, they are a key focus area for our audit.

For the non-performing subsidiaries or if they have net equity deficit, the Company will have exposure to loss on cost of investments and receivables from the subsidiaries. Any impairment losses on the investment in subsidiaries and the related receivables have to be recognised in the Company's separate financial statements.

Management made a comparison of carrying values of the subsidiaries with the Company's share of net assets or liabilities of the subsidiaries to identify indicators of impairment loss on these investments and related receivables.

Management applied the same value in use method used for goodwill impairment assessment to determine the recoverable amount of investments in subsidiaries and related receivables from subsidiaries.

How we addressed the matter in our audit

We reviewed and considered management's assessment on the net assets or liabilities of these subsidiaries. We also assessed management's basis to determine potential impairment of the investments and related receivables. We also had discussions with management on the prospects and future plans of these subsidiaries.

We assessed management's estimates applied in the value in use models based on our knowledge of the subsidiaries, the related CGUs and their operations, and compared them against historical forecasts and performance and industry benchmarks. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rate used in the impairment assessment and tested the accuracy of the computations.

We also assessed the adequacy of the disclosures about those assumptions made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Key audit matters (cont'd)

(c) Assessment of impairment of investment in associates

Please refer to Note 2A "Associates" and "Carrying amounts of non-financial assets" for relevant accounting policies, Note 2C "Assessment of impairment of subsidiaries and associates" for discussion of significant accounting estimates, and Note 15 on "Investment in associates" for the key assumptions used in impairment testing of investment in associates.

Key audit matter

The Group and Company have investment in associates of \$25,191,000 and S\$25,912,000 respectively as at 31 December 2022 that is substantially in Aoxin Q & M Dental Group Limited ("Aoxin Q & M"). The carrying value of the investment in associates accounted for approximately 9% and 14% of the Group and Company's total assets as at the end of the reporting year respectively. As the balances are significant, they are a key focus area of our audit.

An impairment assessment is performed when there are indications of impairment. Management engaged an external valuer to assist in the impairment assessment of Aoxin Q & M. Management applied the value-in-use method to determine the recoverable amount of the investment in associate. The value-in-use calculation requires management to estimate the future cash flows arising from the associate and a suitable discount rate in order to calculate present value of the recoverable amount of the associate. Any shortfall of the recoverable amount against the carrying amount would be recognised as an impairment loss in profit or loss.

How we addressed the matter in our audit

We assessed management's process for the selection of its appointed external valuer, including the determination of scope of work to be performed. We evaluated the competency of the external valuer by considering the valuer's qualifications and objectivity.

Our audit procedures included, among other things, involving our internal valuation specialists as auditor's expert to assist us in evaluating the assumptions and methodologies used by management.

We, including our internal valuation specialists, reviewed management's estimates applied in the value-in-use model based on our knowledge of the associate's operations, and compared the value-in-use model against historical forecasts and performance and industry benchmarks. Our in-house valuation specialists also performed a review of the management's methodology, expectations and the discount rates used in the impairment assessment and tested the accuracy of the computations.

We also assessed on the adequacy of disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the asset.

(d) Assessment of impairment on inventories

Please refer to Note 2A "Inventories" for relevant accounting policies, Note 2C "Assessment of impairment on inventories" for discussion of significant accounting estimates, and Note 18 "Inventories" the breakdown in inventories at the reporting year end.

Key Audit Matter

The Group held inventories of \$11,091,000 as at the end of the reporting year. The carrying amount of inventories may not be recoverable in full if those inventories become slow moving, or if their selling prices have declined below carrying amounts.

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Key audit matters (cont'd)

(d) Assessment of impairment on inventories (cont'd)

Key Audit Matter (cont'd)

The estimate of allowance for slow moving inventories is based on the age of these inventories, prevailing market conditions in the industry and historical allowance experience which requires management's judgement. Management applies particular judgement in the areas relating to inventory allowance based on inventory aging and expected draw down of the inventory. This methodology relies upon assumptions made in determining appropriate allowance of inventories. Management reassesses the methodology regularly to be in line with the prevailing market conditions. With the recent developments in the industry, management is of the opinion that the methodology is reflecting the prevailing market conditions.

How we addressed the matter in our audit

We selected samples for testing. Our audit procedures included (a) verifying of the net realisable value of the inventories by considering post year-end sales to identify any sales made at a loss; (b) reviewing the inventory turnover days and aging of the inventories to assess if there were any significant build up of aged inventories; (c) assessing the expected draw down of inventory; and (d) assessing the reasonableness of the allowance for slow moving inventories. We also assessed management's judgement and assumptions applied to comply with the Group's inventory allowance policy by analysing the historical data trend as well as performing analytical procedures on the inventory aging profile.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

to the Members of Q & M DENTAL GROUP (SINGAPORE) LIMITED

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Goh Swee Hong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

8 April 2023

Partner-in-charge of audit: effective from year ended 31 December 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2022

		Group	
	Notes	2022 \$'000	2021 \$'000
Revenue	5	181,214	205,599
Interest income		25	11
Other gains	9	65	4,399
Consumables, dental equipment and dental supplies used		(25,170)	(30,877)
Employee benefits expense	6	(103,612)	(102,989)
Depreciation and amortisation expense	13 and 17	(4,890)	(4,125)
Depreciation of right-of-use assets	26	(12,169)	(9,456)
Finance costs	7	(3,909)	(3,021)
Other expenses	8	(11,465)	(11,712)
Other losses	9	(5,275)	(710)
Share of loss from equity-accounted associates	15	(537)	(465)
Profit before tax from continuing operations		<u>14,277</u>	<u>46,654</u>
Income tax expense	10	(2,421)	(7,296)
Profit from continuing operations, net of tax		<u>11,856</u>	<u>39,358</u>
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation, net of tax		<u>(2,005)</u>	<u>960</u>
Other comprehensive (loss) income for the year, net of tax		<u>(2,005)</u>	<u>960</u>
Total comprehensive income for the year		<u>9,851</u>	<u>40,318</u>
Profit attributable to owners of the parent, net of tax		11,309	30,471
Profit attributable to non-controlling interests, net of tax		<u>547</u>	<u>8,887</u>
Profit net of tax		<u>11,856</u>	<u>39,358</u>
Total comprehensive income attributable to owners of the parent		9,378	31,443
Total comprehensive income attributable to non-controlling interests		<u>473</u>	<u>8,875</u>
Total comprehensive income		<u>9,851</u>	<u>40,318</u>
Earnings per share			
Earnings per share currency unit		<u>Cents</u>	<u>Cents</u>
Basic – continuing operations	11	<u>1.20</u>	<u>3.23</u>
Diluted – continuing operations	11	<u>1.20</u>	<u>3.23</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	36,929	32,604	989	918
Right-of-use assets	26	52,589	51,716	1,582	1,295
Investment in subsidiaries	14	–	–	61,438	61,943
Investment in associates	15	25,191	27,044	25,912	33,383
Goodwill	16	56,582	56,597	–	–
Other intangible assets	17	4,604	3,580	–	–
Other receivables	19	2,174	2,401	1,835	2,068
Other non-financial assets	20	7,540	7,080	4,163	3,777
Total non-current assets		<u>185,609</u>	<u>181,022</u>	<u>95,919</u>	<u>103,384</u>
Current assets					
Inventories	18	11,091	15,892	–	–
Trade and other receivables	19	26,970	27,823	88,517	89,739
Other non-financial assets	20	4,044	3,833	1,538	1,494
Cash and cash equivalents	21	39,698	47,611	5,834	2,661
Total current assets		<u>81,803</u>	<u>95,159</u>	<u>95,889</u>	<u>93,894</u>
Total assets		<u>267,412</u>	<u>276,181</u>	<u>191,808</u>	<u>197,278</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	86,758	86,758	86,758	86,758
Treasury shares	22	(11,535)	(13,950)	(11,535)	(13,950)
Retained earnings		24,163	26,006	6,531	11,961
Other reserves	23	(2,896)	(965)	–	–
Equity attributable to owners of the parent		<u>96,490</u>	<u>97,849</u>	<u>81,754</u>	<u>84,769</u>
Non-controlling interests		5,758	5,397	–	–
Total equity		<u>102,248</u>	<u>103,246</u>	<u>81,754</u>	<u>84,769</u>
Non-current liabilities					
Provisions	25	767	776	–	–
Deferred tax liabilities	10	1,926	2,393	–	–
Lease liabilities	26	45,220	44,296	1,427	1,131
Other financial liabilities	28	84,577	80,176	80,620	78,408
Total non-current liabilities		<u>132,490</u>	<u>127,641</u>	<u>82,047</u>	<u>79,539</u>
Current liabilities					
Income tax payable		2,273	5,595	–	–
Lease liabilities	26	10,547	9,908	201	189
Trade and other payables	27	19,381	26,239	27,560	29,536
Other financial liabilities	28	473	3,552	246	3,245
Total current liabilities		<u>32,674</u>	<u>45,294</u>	<u>28,007</u>	<u>32,970</u>
Total liabilities		<u>165,164</u>	<u>172,935</u>	<u>110,054</u>	<u>112,509</u>
Total equity and liabilities		<u>267,412</u>	<u>276,181</u>	<u>191,808</u>	<u>197,278</u>

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

Group:	Total equity	Attributable to parent subtotal	Share capital	Retained earnings	Treasury shares	Other reserves	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current year:							
Balance at 1 January 2022	103,246	97,849	86,758	26,006	(13,950)	(965)	5,397
Changes in equity:							
Total comprehensive income for the year	9,851	9,378	–	11,309	–	(1,931)	473
Issuance of ordinary shares pursuant to Q&M Performance Share Plan (Note 22)	2,415	2,415	–	–	2,415	–	–
Dividends paid to non-controlling interest	(112)	–	–	–	–	–	(112)
Dividends paid (Note 12)	(13,152)	(13,152)	–	(13,152)	–	–	–
Closing balance at 31 December 2022	102,248	96,490	86,758	24,163	(11,535)	(2,896)	5,758
Previous year:							
Restated balance at 1 January 2021	124,695	121,080	86,758	47,156	(10,897)	(1,937)	3,615
Changes in equity:							
Total comprehensive income for the year	40,318	31,443	–	30,471	–	972	8,875
Share buyback (Note 22)	(3,053)	(3,053)	–	–	(3,053)	–	–
Decrease in non-controlling interest without a change in control (Note 14)	(5,054)	(1,246)	–	(1,246)	–	–	(3,808)
Dividends paid to non-controlling interest	(4,900)	(1,615)	–	(1,615)	–	–	(3,285)
Dividends paid (Note 12)	(48,760)	(48,760)	–	(48,760)	–	–	–
Closing balance at 31 December 2021	103,246	97,849	86,758	26,006	(13,950)	(965)	5,397

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

Company:	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000
Current year:				
Balance at 1 January 2022	84,769	86,758	(13,950)	11,961
Changes in equity:				
Total comprehensive income for the year	7,722	–	–	7,722
Issuance of ordinary shares pursuant to Q&M Performance Share Plan (Note 22)	2,415	–	2,415	–
Dividends paid (Note 12)	(13,152)	–	–	(13,152)
Closing balance at 31 December 2022	81,754	86,758	(11,535)	6,531
Previous year:				
Opening balance at 1 January 2021	104,384	86,758	(10,897)	28,523
Changes in equity:				
Total comprehensive income for the year	32,198	–	–	32,198
Share buyback (Note 22)	(3,053)	–	(3,053)	–
Dividends paid (Note 12)	(48,760)	–	–	(48,760)
Closing balance at 31 December 2021	84,769	86,758	(13,950)	11,961

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Group	
	2022	2021
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	14,277	46,654
Adjustments for:		
Interest income	(25)	(11)
Interest expense	3,909	3,021
Depreciation of plant and equipment and amortisation expenses	4,890	4,125
Depreciation of right-of-use assets	12,169	9,456
Gain on disposal of plant and equipment, net	(30)	(9)
Gain on disposal of associates	–	(4,373)
Impairment allowance on plant and equipment – reversal	(35)	(17)
Foreign exchange adjustment differences, net	(403)	41
Plant and equipment written off	299	216
Share of loss from equity – accounted associates	537	465
Operating cash flows before changes in working capital	<u>35,588</u>	<u>59,568</u>
Inventories	4,801	199
Trade and other receivables	1,429	(9,848)
Other non-financial assets	(103)	(170)
Trade and other payables	(1,960)	4,220
Provisions	(9)	(74)
Net cash flows from operations	<u>39,746</u>	<u>53,895</u>
Income taxes paid	(6,196)	(3,101)
Net cash flows from operating activities	<u>33,550</u>	<u>50,794</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment (Note 21A)	(9,310)	(7,799)
Disposal of plant and equipment	206	302
Purchase of intangible assets	(1,663)	(1,061)
Trade and other receivables	(576)	375
Other non-financial assets	96	(805)
Other receivables, non-current	227	(1,202)
Proceeds from disposal of associate (Note 15A)	–	17,002
Increase in investment in associate	–	(420)
Acquisition of subsidiaries (net of cash acquired) (Note 29)	–	(2,850)
Interest received	25	11
Net cash flows (used in) from investing activities	<u>(10,995)</u>	<u>3,553</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Group	
	2022	2021
	\$'000	\$'000
Cash flows used in financing activities		
Dividends paid to equity owners (Note 12)	(13,152)	(48,760)
Share buyback (Note 22)	–	(3,053)
Lease liabilities – principal portion paid	(11,467)	(8,787)
Lease liabilities – interest paid	(1,855)	(1,599)
Proceeds from issuance of ordinary shares (Note 22 ^(c))	1,750	–
Proceeds from term loans	2,400	10,000
Bill payables	(160)	(402)
Finance lease repayments	(18)	(20)
Repayment of bank loans	(900)	(1,465)
Interest paid	(2,054)	(1,422)
Dividends paid to non-controlling interest	(5,012)	–
Net cash flows used in financing activities	<u>(30,468)</u>	<u>(55,508)</u>
Net decrease in cash and cash equivalents in continuing operations	(7,913)	(1,161)
Cash and cash equivalents, statement of cash flows, beginning balance of the year	<u>47,611</u>	<u>48,772</u>
Cash and cash equivalents, statement of cash flows, ending balance of the year (Note 21)	<u><u>39,698</u></u>	<u><u>47,611</u></u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 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 board of directors approved and authorised these financial statements for issue on the date of the statement of directors. 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 subsidiaries are described in the Note 14 to the financial statements.

The registered office is: 2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809. The Company is situated in Singapore.

Uncertainties relating to the current economic conditions

Management has considered the current economic conditions caused by the Covid-19 pandemic, commodities inflation, as well as rising interest rates at the end of the reporting year and reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as a financial asset in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue and income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Services – Revenue from service orders are recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Interest income is recognised using the effective interest method. Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	–	10% to 15%
Furniture and fittings and equipment	–	10% to 40%
Leasehold properties	–	Over the terms of lease that is 1.25% to 1.45%
Motor vehicles	–	10% to 25%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 25 on non-current provisions.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The right-of-use assets are depreciated over 1 to 6 years.

Leases as lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Leases of lessor

For a lessor, a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets other than goodwill

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful life is as follows:

Customer lists	–	2 to 10 years
Development costs	–	10 years

Development costs are typically internally generated intangible assets. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) therefore it is the intention of management to complete the intangible asset and use or sell it.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Business combinations

A business combination is transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Goodwill and fair value adjustments resulting from the application of purchase accounting at the date of acquisition are treated as assets and liabilities of the foreign entity and are recorded at the exchange rates prevailing at the acquisition date and are subsequently translated at the period end exchange rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) are tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. 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.

Assessment of impairment of goodwill:

An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the CGUs and the use of estimates as disclosed in Note 16 on goodwill. Actual outcomes could vary from these estimates.

Assessment of impairment of subsidiaries and associates:

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the investee affected. The carrying amount of the specific investee or class of investees at the end of the reporting year affected by the assumption at Company level for subsidiaries and associate is \$54,223,000 and \$25,912,000 respectively; at Group level for associate is \$25,191,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessment of expected credit loss allowance on trade and other receivables:

The assessment of the expected credit losses (ECL) requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 19 on trade and other receivables.

Assessment of impairment on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, the expected draw down of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at the end of the reporting year is disclosed in the Note 18 on inventories.

Estimating income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 10 on income tax.

Estimation of useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors that could change significantly because of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is \$36,929,000.

In addition, the Group's furniture and fittings and leasehold improvements with a carrying amount of \$9,031,000 as at end of the reporting year has been depreciated on a straight-line basis over their estimated useful lives of 10 years. The terms of the leases for the Group's premises may however be less than 10 years. Management has assumed the Group will be able to renew the terms of its leases on their expiry and hence the estimated useful life of 10 years is appropriate. In the event the Group is not able to renew the terms of its various leases and the Group vacates the relevant premises, the carrying value of furniture and fittings and leasehold improvements related to the vacated premises would have to be fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessing the carrying amounts of right-of-use assets:

Significant judgement is applied by management when determining impairment allowance for of the right-of-use asset. Impairment allowance is assessed for separable parts of leased assets that have been or will be vacated or used in the near future. The impairment allowance is sensitive to changes in estimated future expected sublease income and sublease period. Judgement is also involved when determining whether sublease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount at the end of the reporting year is disclosed in the Note 26 on right-of-use asset.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Dr Ng Chin Siau, a director and significant shareholder.

3A. Members of a group:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Quan Min Holdings Pte. Ltd.	Immediate parent company and ultimate parent company	Singapore

Related companies in these financial statements include the members of the above group of companies. Associates also include those that are associates of members of the Group.

3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

3. Related party relationships and transactions (cont'd)

3B. Related party transactions: (cont'd)

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

<u>Group</u>	<u>Directors of the Company</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental paid / payable	<u>240</u>	<u>154</u>
<u>Group</u>	<u>Other related parties</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental paid / payable ^(a)	<u>262</u>	<u>321</u>

(a) Rental paid / payable to the associates of the directors, director of subsidiary, principal shareholders and their connected companies.

3C. Key management compensation:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Salaries and other short-term employee benefits	<u>2,567</u>	<u>5,058</u>

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Remuneration of directors of the Company	1,582	3,653
Fees to directors of the Company	<u>268</u>	<u>428</u>

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The above amounts for key management compensation are for all the directors and other key management personnel. The amounts also include fees paid to directors for dental services rendered in their capacity as dentists.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties: (cont'd)

The movements in other receivables from and other payables to related parties are as follows:

<u>Company</u>	<u>Subsidiaries</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Other receivables:</u>		
Balance at beginning of the year - net debit	38,004	39,383
Amounts paid out and settlement of liabilities on behalf of subsidiaries	8,038	-
Amounts paid in and settlement of liabilities on behalf of the company	-	(1,379)
Balance at end of the year - net debit	<u>46,042</u>	<u>38,004</u>
Represented by:		
Other receivables (Note 19)	69,863	61,685
Other payables (Note 27)	<u>(23,821)</u>	<u>(23,681)</u>
Net	<u>46,042</u>	<u>38,004</u>

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purpose the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) primary healthcare, (2) dental equipment and supplies distribution and (3) medical laboratory. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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

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

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Performance is measured based on segment results before allocation of share of profit from equity-accounted associates, one-off gains or expenses and income tax, as included in the internal management reports. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments relative to other entities that operate in similar industries.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each product and service or each group of similar products and services is below and in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Financial information by operating segments (cont'd)

4B. Profit or loss

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Segment revenue		
Primary healthcare	160,895	160,211
Dental equipment and supplies distribution	11,236	8,244
Medical laboratory	9,083	37,144
Total	<u>181,214</u>	<u>205,599</u>

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Segment results		
Primary healthcare	17,494	21,252
Dental equipment and supplies distribution	963	58
Medical laboratory	1,287	21,871
Gain on disposal of associate	–	4,373
Impairment on assets – loss	(4,930)	(435)
Share of loss from equity – accounted associates	(537)	(465)
Profit before tax from continuing operations	<u>14,277</u>	<u>46,654</u>
Income tax expense	(2,421)	(7,296)
Profit from continuing operations, net of tax	<u>11,856</u>	<u>39,358</u>

4C. Assets and reconciliation

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Segment assets		
Primary healthcare	215,397	200,241
Dental equipment and supplies distribution	9,967	13,775
Medical laboratory	16,857	35,121
Unallocated – investment in associates	25,191	27,044
Total	<u>267,412</u>	<u>276,181</u>

4D. Liabilities and reconciliation

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Segment liabilities		
Primary healthcare	160,311	157,813
Dental equipment and supplies distribution	1,917	1,906
Medical laboratory	2,936	13,216
Total	<u>165,164</u>	<u>172,935</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Financial information by operating segments (cont'd)

4E. Other material items and reconciliations

	Group	
	2022	2021
	\$'000	\$'000
Impairment of assets – (loss) reversal		
Primary healthcare	78	18
Dental equipment and supplies distribution	(5,008)	(453)
Total	<u>(4,930)</u>	<u>(435)</u>
Expenditure for non-current assets		
Primary healthcare	9,142	5,874
Dental equipment and supplies distribution	48	138
Medical laboratory	120	3,412
Total	<u>9,310</u>	<u>9,424</u>
Depreciation of property, plant and equipment and amortisation		
Primary healthcare	4,126	3,486
Dental equipment and supplies distribution	103	94
Medical laboratory	661	545
Total	<u>4,890</u>	<u>4,125</u>
Depreciation of right-of-use assets		
Primary healthcare	11,890	9,248
Dental equipment and supplies distribution	–	–
Medical laboratory	279	208
Total	<u>12,169</u>	<u>9,456</u>
	Group	
	2022	2021
	\$'000	\$'000
Finance costs		
Primary healthcare	3,875	2,972
Dental equipment and supplies distribution	–	–
Medical laboratory	34	49
Total	<u>3,909</u>	<u>3,021</u>

4F. Geographical information

	Group	
	2022	2021
	\$'000	\$'000
Revenue		
Singapore	167,288	194,140
Malaysia	13,139	10,252
China	787	1,207
Total	<u>181,214</u>	<u>205,599</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Financial information by operating segments (cont'd)

4F. Geographical information (cont'd)

	Group	
	2022	2021
	\$'000	\$'000
Non-current assets		
Singapore	155,108	149,153
Malaysia	5,138	4,462
China	25,363	27,407
Total	<u>185,609</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.

4G. Information about major customers

	Group	
	2022	2021
	\$'000	\$'000
Customer of more than 10% of Group's revenue in medical laboratory	— ^(a)	<u>25,740</u>

(a) There were no customers with revenue of over 10% of the Group's revenue for the reporting year ended 31 December 2022.

5. Revenue

	Group	
	2022	2021
	\$'000	\$'000
Rendering of services	165,764	193,083
Sale of goods	11,172	8,228
Profit guarantee income	3,216	3,179
Rental income (Note 30)	472	540
Other income	590	569
Total revenue	<u>181,214</u>	<u>205,599</u>

The revenue is primarily from rendering services and sales of goods and they are mainly recognised based on point in time. The customers for the primary healthcare segment are mainly individuals, whereas the customers for the dental equipment and supplies distribution segment are mainly private dental clinics and medical laboratory segment is mainly biomedical companies (see Note 4).

Profit guarantee income is recognised when there is a shortfall between the profit amount guaranteed by the vendors or shareholders of the subsidiaries and the actual performance of the acquired subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

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6. Employee benefits expense

	Group	
	2022	2021
	\$'000	\$'000
Short term employee benefits expense	98,561	98,351
Contributions to defined contribution plan	4,192	3,786
Share-based payments: equity settled (Note 24)	237	219
Other benefits	622	633
Total employee benefits expense	<u>103,612</u>	<u>102,989</u>

Employee benefits expense includes fees paid to dentists for dental services rendered. The fees paid are at certain pre-agreed percentages of fee revenue earned from patients.

The government grants from Job Support Scheme of \$Nil (2021: \$596,000) was netted off with employee benefits expense. The purpose of the Job Support Scheme was to provide wage support to employers to help them retain their local employees during the period of economic uncertainty amid Covid-19 for the qualifying period.

7. Finance costs

	Group	
	2022	2021
	\$'000	\$'000
Interest expense	2,054	1,422
Interest on lease liabilities (Note 26)	1,855	1,599
Total finance costs	<u>3,909</u>	<u>3,021</u>

8. Other expenses

The major components and other selected components include the following:

	Group	
	2022	2021
	\$'000	\$'000
Legal and professional fees	1,575	2,259
NETS and credit card transaction charges	2,349	2,198
Repair and maintenance	1,251	1,132
Utilities	930	784

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

9. Other income and gains and (other losses)

	Group	
	2022	2021
	\$'000	\$'000
Foreign exchange adjustment losses	(11)	(42)
Gain on disposal of associate (Note 15A)	–	4,373
Gain on disposal of plant and equipment, net	30	9
Impairment allowance on other receivables – loss (Note 19)	(86)	(75)
Impairment allowance on plant and equipment – reversal (Note 13)	35	17
Impairment allowance on inventories (Note 18) ^(a)	(4,879)	(377)
Plant and equipment written off	(299)	(216)
Net	<u>(5,210)</u>	<u>3,689</u>
Presented in profit or loss as:		
Other income and gains	65	4,399
Other losses	(5,275)	(710)
Net	<u>(5,210)</u>	<u>3,689</u>

- (a) During the reporting year ended 31 December 2022, the Group recognised an allowance of \$4,879,000 to write down certain of its Covid-19 related inventories and consumables in view of Singapore's lifting of Covid-19 related restrictions.

10. Income tax expense

10A. Components of tax expense recognised in profit or loss include:

	Group	
	2022	2021
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	2,823	5,906
Under adjustments in respect of prior periods	65	157
Subtotal	<u>2,888</u>	<u>6,063</u>
<u>Deferred tax (income) expense:</u>		
Deferred tax (income) expense	(127)	909
(Over) under adjustments in respect of prior periods	(340)	324
Subtotal	<u>(467)</u>	<u>1,233</u>
Total income tax expense	<u>2,421</u>	<u>7,296</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

10. Income tax expense (cont'd)

10A. Components of tax expense recognised in profit or loss include: (cont'd)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2021: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Profit before tax	14,277	46,654
Share of loss from equity-accounted associates	537	465
	<u>14,814</u>	<u>47,119</u>
Income tax expense at the above rate	2,518	8,010
Effect of different tax rates in different countries	(97)	(84)
Expenses not deductible for tax purposes	903	155
Income not subject to tax	(22)	(1,100)
Stepped income exemptions and tax rebates	(724)	(645)
Unrecognised deferred tax asset	353	320
(Over) under adjustments in respect of prior periods	(275)	481
Other minor items less than 3% each	(235)	159
Total income tax expense	<u>2,421</u>	<u>7,296</u>

There are no income tax consequences of dividends to owners of the Company.

The expenses not deductible for tax purposes (major not liable to tax items) include the following:

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Allowance for impairment on inventories	4,879	–
Gain on disposal of associate	–	(4,373)
Government grant from Rental Support Scheme	–	(1,448)
Government grant from Job Support Scheme	–	(596)

10B. Deferred tax (income) expense recognised in profit or loss include:

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>From deferred tax liabilities recognised in profit or loss:</u>		
Excess of net book value of plant and equipment over tax values	(689)	1,040
Deferred tax relating to depreciation expense on right-of-use assets and interest on lease liabilities	(131)	(127)
Unrecognised deferred tax asset	353	320
Total deferred tax (income) expense recognised in profit or loss	<u>(467)</u>	<u>1,233</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

10. Income tax expense (cont'd)

10C. Deferred tax balance in the statement of financial position:

	Group	
	2022	2021
	\$'000	\$'000
<u>Deferred tax liabilities recognised in profit or loss:</u>		
Excess of net book value of plant and equipment over tax values	(1,791)	(2,480)
Deferred tax relating to depreciation expense on right-of-use assets and interest on lease liabilities	538	407
Unrecognised deferred tax asset	(673)	(320)
Total	<u>(1,926)</u>	<u>(2,393)</u>
Presented in the statement of financial position as follows:		
Deferred tax liabilities	<u>(1,926)</u>	<u>(2,393)</u>

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

11. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2022	2021
	\$'000	\$'000
Numerators: earnings attributable to equity		
Continuing operations: attributable to equity holders	<u>11,309</u>	<u>30,471</u>
	'000	'000
Denominators: weighted average number of equity shares		
Basic and diluted	<u>940,843</u>	<u>943,738</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The weighted average number of ordinary shares outstanding during the period and for all periods presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

The basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares. There is no diluted effect on the earnings per share for the reporting year 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

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12. Dividends on equity shares

	<u>Group</u>	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Interim tax exempt dividend paid of 1.4 cents (2021: 5.5 cents) per share	13,152	44,824
First and final tax exempt dividend paid of nil cents (2021: 0.5 cents) per share	–	3,936
	<u>13,152</u>	<u>48,760</u>

Subsequent to the reporting year ended 31 December 2022, the directors proposed that a 2nd interim dividend of 0.6 cent per share in respect of the current year with a total of \$5,679,000 be paid to shareholders on 24 March 2023. There are no income tax consequences.

Subsequent to the reporting year end ended 31 December 2021, the directors proposed that a 4th interim dividend of 1 cent per share in respect of the current year with a total of \$9,394,000 be paid to shareholders on 24 March 2022. There are no income tax consequences.

13. Property, plant and equipment

<u>Group</u>	<u>Leasehold improve- ments</u> \$'000	<u>Furniture and fittings and equipment</u> \$'000	<u>Leasehold properties</u> \$'000	<u>Motor vehicles</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>					
At 1 January 2021	9,723	32,434	12,340	246	54,743
Additions	2,563	5,311	–	–	7,874
Additions arising from acquisition of a subsidiary (Note 29)	–	118	–	–	118
Disposals / written off	(596)	(2,168)	–	(45)	(2,809)
Foreign currency translation adjustment	(8)	(31)	–	–	(39)
At 31 December 2021	11,682	35,664	12,340	201	59,887
Additions	1,684	4,258	3,368	–	9,310
Disposals / written off	(1,302)	(3,173)	–	–	(4,475)
Foreign currency translation adjustment	(161)	(310)	–	(13)	(484)
At 31 December 2022	11,903	36,439	15,708	188	64,238

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

13. Property, plant and equipment (cont'd)

<u>Group</u>	<u>Leasehold improvements</u> \$'000	<u>Furniture and fittings and equipment</u> \$'000	<u>Leasehold properties</u> \$'000	<u>Motor vehicles</u> \$'000	<u>Total</u> \$'000
<u>Accumulated depreciation and impairment losses:</u>					
At 1 January 2021	3,559	21,499	708	93	25,859
Depreciation for the year	700	2,868	165	8	3,741
Disposals / written off	(526)	(1,724)	–	(45)	(2,295)
Impairment reversal	(17)	–	–	–	(17)
Foreign currency translation adjustment	1	(5)	–	(1)	(5)
At 31 December 2021	3,717	22,638	873	55	27,283
Depreciation for the year	1,029	2,982	206	34	4,251
Disposals / written off	(1,175)	(2,822)	–	–	(3,997)
Impairment reversal	(35)	–	–	–	(35)
Foreign currency translation adjustment	(53)	(129)	–	(11)	(193)
At 31 December 2022	3,483	22,669	1,079	78	27,309
<u>Carrying value:</u>					
At 1 January 2021	6,164	10,935	11,632	153	28,884
At 31 December 2021	7,965	13,026	11,467	146	32,604
At 31 December 2022	8,420	13,770	14,629	110	36,929

The leasehold properties at a carrying value of approximately \$14,629,000 (2021: \$11,467,000) are mortgaged as security for the bank facilities (See Note 28A).

<u>Company</u>	<u>Furniture and fittings and office equipment</u> \$'000
<u>Cost:</u>	
At 1 January 2021	1,776
Additions	110
At 31 December 2021	1,886
Additions	221
At 31 December 2022	2,107
<u>Accumulated depreciation:</u>	
At 1 January 2021	846
Depreciation for the year	122
At 31 December 2021	968
Depreciation for the year	150
At 31 December 2022	1,118
<u>Carrying value:</u>	
At 1 January 2021	930
At 31 December 2021	918
At 31 December 2022	989

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

14. Investment in subsidiaries

	<u>Company</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Cost:</u>		
At the beginning of the year	71,443	74,773
Additions	100	1,200
Disposals	–	(4,530)
At end of the year	<u>71,543</u>	<u>71,443</u>
<u>Allowance for impairment:</u>		
At the beginning of the year	(9,500)	(9,500)
Impairment loss charged to profit or loss included in other losses ^(#)	(605)	–
At end of the year	<u>(10,105)</u>	<u>(9,500)</u>
<u>Carrying value:</u>		
At beginning of the year	<u>61,943</u>	<u>65,273</u>
At end of the year	<u>61,438</u>	<u>61,943</u>
Analysis of above amount denominated in non-functional currency:		
United States Dollars	411	411
Malaysian Ringgit	<u>5,152</u>	<u>5,152</u>

^(#) The impairment loss was provided on certain subsidiaries which were either non-performing subsidiaries or have net equity deficit.

The following subsidiaries are wholly owned by the Group:

<u>Name of subsidiaries</u>	<u>Cost in books of Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Held by Company		
Q & M Dental Surgery (Admiralty) Pte. Ltd.	100	100
Q & M Dental Surgery (Ang Mo Kio Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Braddell) Pte. Ltd.	100	100
Q & M Dental Surgery (Boon Lay) Pte. Ltd.	100	100
Q & M Dental Surgery (Boon Lay MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Batok) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Panjang) Pte. Ltd.	100	100
Q & M Dental Surgery (Bukit Timah) Pte. Ltd.	100	100
Q & M Dental Surgery (Clementi Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Clementi) Pte. Ltd.	100	100
Q & M Dental Surgery (Elias Mall) Pte. Ltd.	100	100
Q & M Dental Surgery (Hougang Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Hougang Mall) Pte. Ltd.	100	100
Q & M Dental Surgery (Hougang Plaza) Pte. Ltd.	100	100
Q & M Dental Surgery (Gombak) Pte. Ltd.	17	17
Q & M Dental Surgery (Gombak MRT) Pte. Ltd.	100	100

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14. Investment in subsidiaries (cont'd)

Name of subsidiaries	Cost in books of Group	
	2022 \$'000	2021 \$'000
Held by Company		
Q & M Dental Surgery (Jurong East Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Jelapang) Pte. Ltd.	100	100
Q & M Dental Surgery (Kallang MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Khatib) Pte. Ltd.	100	100
Q & M Dental Surgery (Marsiling) Pte. Ltd.	65	65
Q & M Dental Surgery (Old Airport Rd) Pte. Ltd.	100	100
Q & M Dental Surgery (Pasir Ris) Pte. Ltd.	100	100
Q & M Dental Surgery (Redhill MRT) Pte. Ltd.	92	92
Q & M Dental Surgery (Serangoon) Pte. Ltd.	100	100
Q & M Dental Surgery (Serangoon Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Sembawang) Pte. Ltd.	100	100
Q & M Dental Surgery (Sembawang MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Serangoon North) Pte. Ltd.	100	100
Q & M Dental Surgery (Sims Place) Pte. Ltd. ^(b)	100	100
Q & M Dental Surgery (Tiong Bahru) Pte. Ltd.	96	96
Q & M Dental Surgery (Toa Payoh) Pte. Ltd.	100	100
Q & M Dental Surgery (Toa Payoh Central) Pte. Ltd.	100	100
Q & M Dental Surgery (Yishun Central) Pte. Ltd.	100	100
Q & M Laboratory & Marketing Pte. Ltd. ^(d)	124	124
Q & M Management & Consultancy Pte. Ltd. ^(b)	52	52
Killiney Dental Centre Pte. Ltd.	100	100
Q & M Dental Group (China) Pte. Ltd. ^(c)	299	299
Q & M Dental Centre Pte. Ltd.	588	588
Q & M Dental Institute Pte. Ltd. ^(b)	20	20
Q & M Dental Centre (Orchard) Pte. Ltd.	100	100
Q & M Dental Centre (Raffles Place) Pte. Ltd.	100	100
Dentigiene Dental Surgery Pte. Ltd.	567	567
Q & M Aidite International Pte. Ltd. ("QMAI") ^(c)	— ^(a)	— ^(a)
Foo & Associates Pte. Ltd.	5,500	5,500
Aesthetics Dental Surgery Pte. Ltd.	4,000	4,000
Tiong Bahru Dental Surgery Pte. Ltd. and Bright Smile Dental Surgery Pte. Ltd.	3,800	3,800
Ho Dental Surgery (Marine Parade) Pte. Ltd.	— ^(a)	— ^(a)
Jurong Point Dental Centre Pte. Ltd.	100	100
British Dental Surgery Pte. Ltd.	760	760
Q & M Dental Holdings (Shenzhen) Pte. Ltd. ^{(c)(n)}	— ^(a)	— ^(a)
Q & M Dental Holdings (Malaysia) Pte. Ltd. ^{(c)(n)}	— ^(a)	— ^(a)
EM2AI Pte. Ltd. ⁽ⁱ⁾	100	100
Q & M College of Dentistry Pte. Ltd. ^(g)	100	100
TP Dental Surgeons Pte. Ltd.	28,600	28,600
Lee & Lee (Dental Surgeons) Pte. Ltd.	10,000	10,000
Q & M Dental Group (Malaysia) Sdn. Bhd. ^{(c)(j)(l)(n)}	5,152	5,152
Shenyang Q & M Management Consulting Co. Ltd. ^{(c)(k)(m)}	411	411
New Dental Centre Pte. Ltd. ^{(b)(n)}	— ^(a)	— ^(a)
Q & M Medical Group (Singapore) Pte. Ltd. ^{(c)(n)}	200	200

NOTES TO THE FINANCIAL STATEMENTS

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14. Investment in subsidiaries (cont'd)

Name of subsidiaries	Cost in books of Group	
	2022 \$'000	2021 \$'000
Held by Company		
Bright Smile Dental Surgery (Buangkok MRT) Pte. Ltd.	100	100
Q & M Dental Surgery (Tanjong Katong) Pte. Ltd.	100	100
Q & M Dental Surgery (Kovan) Pte. Ltd.	100	100
Q & M Dental Surgery (Clementi West) Pte. Ltd.	100	100
Specialist Oral Surgeons Pte. Ltd.	100	100
Q & M Dental Surgery (Woodlands) Pte. Ltd.	100	100
Q & M Dental Centre (River Valley) Pte. Ltd.	100	100
Q & M Dental Surgery (Canberra) Pte. Ltd.	100	100
Q & M Dental Surgery (Jurong) Pte. Ltd.	100	100
Q & M Dental Surgery (Bedok Reservoir) Pte. Ltd.	100	100
Q & M Dental Centre (Jurong East) Pte. Ltd.	100	100
Q & M Dental Surgery (Aljunied) Pte. Ltd.	100	100
Q & M Dental Surgery (Kim Tian) Pte. Ltd.	100	100
Q & M Dental Centre (North Bridge) Pte. Ltd.	100	100
Q & M Dental Surgery (Yishun) Pte. Ltd.	100	100
Q & M Dental Centre (Kim Seng) Pte. Ltd.	100	100
Q & M Dental Surgery (Choa Chu Kang) Pte. Ltd.	100	100
Q & M Dental Surgery (Ang Mo Kio) Pte. Ltd.	100	100
Q & M Dental Centre (Balestier) Pte. Ltd.	100	100
Q & M Dental Surgery (Alexandra Road) Pte. Ltd. (Formerly known as Q & M Dental Surgery (Sengkang MRT) Pte. Ltd.) (Incorporated on 7 April 2021)	100	— ^(a)
Held through subsidiaries		
Dentmedix Pte. Ltd. ^{(e)(n)}	164	164
Quantumleap Healthcare Pte. Ltd. ^(e)	150	150
Q & M Dental Holdings (Malaysia) Sdn. Bhd. ^{(c)(i)(l)}	330	330
Q & M Dental Surgery (Bandar Puteri Puchong) Sdn. Bhd. ^{(i)(l)}	30	30
Q & M Dental Surgery (Selatan) Sdn. Bhd. ^{(i)(l)}	— ^(a)	— ^(a)
Q & M Dental Surgery (KL) Sdn. Bhd. ^{(i)(l)}	— ^(a)	— ^(a)
Q & M Dental Surgery (Southern) Sdn. Bhd. ^{(i)(l)}	— ^(a)	— ^(a)
Q & M Dental Surgery (Molek) Sdn. Bhd. ^{(i)(l)}	443	443
Q & M Dental Surgery (Austin) Sdn. Bhd. ^{(i)(l)}	29	29
EM2AI Sdn. Bhd. ^{(i)(l)(o)}	— ^(a)	— ^(a)
Q & M Medical & Aesthetic Clinic (Tampines Central) Pte. Ltd. ^{(f)(n)}	50	50
Q & M Medical & Aesthetic Clinic (Serangoon Garden) Pte. Ltd. ^{(b)(n)}	50	50
Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd. ^{(f)(n)}	80	80
Q & M Medical Clinic (Raffles Place) Pte. Ltd. ^{(b)(n)}	50	50
The Digestive & Liver Specialist Centre Pte. Ltd. ^{(b)(n)}	100	100
The Lung Specialist Centre Pte. Ltd. ^{(b)(n)}	100	100
Q & M Medical Clinic (Serangoon Central) Pte. Ltd. ^{(f)(n)}	50	50
Q & M Medical Clinic (Bukit Batok) Pte. Ltd. ^{(f)(n)}	50	50
Q & M Medical Clinic (Buangkok Mrt) Pte. Ltd. ^{(f)(n)}	100	100
Singapore Dental Cadcam Laboratory Pte. Ltd. ^(h)	— ^(a)	— ^(a)

NOTES TO THE FINANCIAL STATEMENTS

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14. Investment in subsidiaries (cont'd)

- (a) Cost of investment less than \$1,000.
- (b) These subsidiaries are dormant.
- (c) These subsidiaries are investment holding companies.
- (d) The principal activities of the subsidiary are investment holding and provision of services related to the dental laboratory business.
- (e) The subsidiaries are principally engaged in trading of dental surgery materials and equipment.
- (f) The subsidiaries are principally engaged in the provision of general medical services.
- (g) The subsidiary is principally engaged in the provision of higher education programmes to qualified dentists.
- (h) The subsidiary is principally engaged in manufacturing and exporting of porcelain crown, bridges and dentures.
- (i) The subsidiaries are principally engaged in the development of dental healthcare software and equipment.
- (j) Audited by other independent auditors, GEP Associates, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
- (k) Audited by other independent auditors, Liaoning Zhong Cheng CPAs, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
- (l) Incorporated in Malaysia.
- (m) Incorporated in People's Republic of China.
- (n) Not audited for the purpose of the consolidated financial statements, as immaterial.
- (o) Audited by other independent auditors, YYC & Co. PLT, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

The subsidiaries that have non-controlling interests are listed below:

Name of subsidiaries	Cost in books of Group		Effective percentage of equity held by Group	
	2022	2021	2022	2021
	\$'000	\$'000	%	%
Held by Company				
Shanghai Chuangyi Investment and Management Co., Ltd. ^{(ee)(hh)(ii)}	2,601	2,601	80	80
Acumen Diagnostics Pte. Ltd. ^(cc)	<u>3,000</u>	<u>3,000</u>	67.15	67.15
Held through subsidiaries				
Q & M Dental Surgery (Molek) Sdn. Bhd. ^{(ff)(gg)}	–	–	–	–
Q & M Dental Surgery (Austin) Sdn. Bhd. ^{(ff)(gg)}	–	–	–	–
D & D Dental Sdn. Bhd. ^{(ff)(gg)}	339	339	70	70
Q & M Dental Surgery (Kota Damansara) Sdn. Bhd. ^{(ff)(gg)}	33	33	80	80
NG GK Dental Surgery (Melaka) Sdn. Bhd. ^{(ff)(gg)}	190	190	70	70
Q & M Dental Surgery (Taman Merdeka) Sdn. Bhd. ^{(ff)(gg)}	139	139	70	70
AR Dental Supplies Sdn. Bhd. ^{(aa)(ff)(gg)}	3,377	3,377	70	70
Shanghai Kangyi Dental Polyclinic Co., Ltd. ^{(ee)(ii)}	216	216	80	80
QA Healthcare Solutions Pte. Ltd. ^{(bb)(ii)}	100	100	51	51
Acumen Research Laboratories Pte. Ltd. ^(dd)	3,000	3,000	67.15	67.15

- (aa) The subsidiary is principally engaged in trading of dental surgery materials and equipment.
- (bb) The subsidiary is principally engaged in the development of dental healthcare software and equipment.
- (cc) The subsidiary is principally engaged in sale and distribution of Covid-19 test kits and provision of laboratory testing.
- (dd) The subsidiary is principally engaged in provision of laboratory testing.

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14. Investment in subsidiaries (cont'd)

- (ee) Incorporated in People's Republic of China.
- (ff) Incorporated in Malaysia.
- (gg) Audited by other independent auditors, GEP Associates, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
- (hh) Audited by other independent auditors, Zhong Lei Certified Public Accountants, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.
- (ii) Not audited for the purpose of the consolidated financial statements, as immaterial.

All subsidiaries are engaged in the provision of dental services unless otherwise disclosed above.

Save as disclosed above, all other subsidiaries in Singapore are audited by RSM Chio Lim LLP.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

15. Investment in associates

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Carrying value:				
Quoted equity shares at cost				
– Aoxin Q & M Dental Group Limited (“Aoxin Q & M”)	25,176	27,029	33,383	33,383
Unquoted equity shares at cost				
– Punggol Medical & Dental Pte. Ltd. (“PMD”)	15	15	–	–
Allowance for impairment - Aoxin Q & M	–	–	(7,471)	–
	<u>25,191</u>	<u>27,044</u>	<u>25,912</u>	<u>33,383</u>
Movements in carrying value:				
Balance at beginning of the year	27,044	43,743	33,383	32,964
Additions ^(iv)	–	420	–	419
Disposals ^(vii)	–	(12,623)	–	–
Dilution of interest ^(iv)	–	(5,054)	–	–
Foreign currency translation adjustment	(1,316)	1,023	–	–
Allowance for impairment	–	–	(7,471)	–
Share of loss for the year	(537)	(465)	–	–
Balance at end of the year	<u>25,191</u>	<u>27,044</u>	<u>25,912</u>	<u>33,383</u>

The carrying value of the investment in associate, 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 discount rate applied (weighted average cost of capital 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 necessary at the Group level.

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15. Investment in associates (cont'd)

The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

Actual outcomes could vary from these estimates. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 1 percentage point less favourable than management's estimates, there would be a need to further reduce the carrying value of the Group and the Company's investment in Aoxin Q & M by \$1,905,000 and \$2,642,000 respectively to its recoverable amount.

The associates held by the Group are listed below:

<u>Name of associates</u>	<u>Percentage of equity held by the Group</u>	
	<u>2022</u>	<u>2021</u>
	%	%
Held by Company		
Aoxin Q & M ^{(i)(iii)(iv)(v)}	32.79	32.95
Singapore		
Provision of private dental services and dental equipment and supplies		
Held through subsidiaries		
PMD ⁽ⁱⁱ⁾	50.0	50.0
Singapore		
Provision of general medical services		

(i) Listed on the Singapore Stock Exchange. The fair value of the shares held in the associate, Aoxin Q & M is \$24,983,000 (2021: \$40,240,000) as at end of reporting year.

(ii) Not considered material to the Group.

(iii) In 2021, the Company acquired 2,150,700 ordinary shares of Aoxin Q & M in the open market for an aggregate consideration of \$419,000. 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).

(iv) On 1 November 2021, Aoxin Q & M, acquired the remaining 49% of the share capital of Acumen Diagnostics Pte Ltd, a subsidiary of the Group for a consideration of \$29,400,000 (approximately RMB139,398,000) which was satisfied by the issuance of 127,272,726 new ordinary shares in the capital of the 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%. (See Note 14).

(v) In March 2022, Aoxin Q & M issued 2,441,000 new ordinary shares of no par value of an issue price of \$0.20 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%.

Save as disclosed above, all other associates are audited by RSM Chio Lim LLP.

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15. Investment in associates (cont'd)

There are associates that are considered material to the reporting entity. The summarised financial information of each of the material associate and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are as follows:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Aoxin Q & M</u>		
Revenue	27,191	34,000
Loss from continuing operations ^(a)	(13,170)	(1,555)
Other comprehensive income	2,326	(297)
Total comprehensive loss	(8,388)	(1,852)
Current assets	16,737	20,906
– includes cash and cash equivalents	7,673	5,173
Current liabilities – trade and other payables	6,812	(8,042)
Non-current assets	57,828	72,517
Non-current liabilities	4,735	(8,141)
Net assets of the associate	<u>63,018</u>	<u>77,240</u>
Interest at 32.79% (2021: 32.95%) ^(a)	20,664	25,450
Goodwill	11,546	11,546
Other adjustments	(7,034)	(9,967) ^(b)
Carrying amount of the interest in the associate	<u>25,176</u>	<u>27,029</u>

^(a) Includes Aoxin Q & M's impairment loss of \$11,668,000 on investment in associate, Acumen Diagnostics Pte Ltd ("AD") and share of results of \$334,000 from the associate. These are eliminated in the Group's consolidated financial statements since AD is a subsidiary of the Group.

^(b) Adjustment to account for Aoxin Q & M's share of net assets of the Group's subsidiary, AD.

15A. Disposal of associate

Aidite (Qinhuangdao) Technology Co., Ltd was disposed on 11 March 2021.

A net gain on disposal of \$4,373,000 was recognised in the profit or loss included under other gains (Note 9) following the disposal, being the consideration receivable on disposal less the net carrying amount of the investment in associate and receivables from and payable to the associate. No tax charge or credit arose from the transaction. The associate's unaudited financial statements as at 31 March 2021 were used to determine the above gain on disposal of the associate as follows:

	<u>Aidite</u> <u>Qinhuangdao</u> \$'000
Net carrying amount of assets disposed	12,629
Gain on disposal (Note 9)	4,373
Total consideration	<u>17,002</u>

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16. Goodwill

	Group	
	2022	2021
	\$'000	\$'000
<u>Cost:</u>		
Balance at beginning of the year	62,301	59,523
Arising from acquisition of business (Note 29)	–	2,810
Effect of movement in exchange rate	(137)	(32)
Balance at end of the year	<u>62,164</u>	<u>62,301</u>
<u>Accumulated impairment loss allowance:</u>		
Balance at beginning of the year	(5,704)	(5,732)
Effect of movement in exchange rate	122	28
Balance at end of the year	<u>(5,582)</u>	<u>(5,704)</u>
<u>Carrying value:</u>		
Beginning of the year	<u>56,597</u>	<u>53,791</u>
End of the year	<u>56,582</u>	<u>56,597</u>

Management has performed the impairment assessment of goodwill based on clinics in Singapore by zone and goodwill has been allocated into the various zones based on the clinics' locations: South-Central, North, East, West, and North East zones. Each zone is a cash-generating unit.

The Group's dentists and nurses work across clinics within their respective zones, allowing the Group to maximise the use of resources and improve operational efficiency. Zoning has also enabled the Group to more efficiently monitor its operations and performance to better serve patients. To support the zoning of the operations, the Group has also implemented a new data management system that integrates patient information such as appointment scheduling, diagnoses, and treatment plans, across various clinics and zones, allowing more seamless management of operations.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment by each primary reporting segment as follows:

	Group	
	2022	2021
	\$'000	\$'000
Primary healthcare:		
South-Central	49,190	49,190
North-East	490	490
East	1,660	1,660
West	1,642	1,642
Others	2,434	2,455
Subtotal	<u>55,416</u>	<u>55,437</u>
Dental equipment and supplies distribution:		
AR Dental Supplies Sdn. Bhd.	1,821	1,937
Subtotal	<u>1,821</u>	<u>1,937</u>
Medical laboratory:		
Acumen Diagnostics Pte. Ltd.	2,117	2,117
Acumen Research Laboratories Pte. Ltd.	2,810	2,810
Subtotal	<u>4,927</u>	<u>4,927</u>
	<u>62,164</u>	<u>62,301</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

16. Goodwill (cont'd)

The breakdown of the entities classified in each of the primary healthcare zones are as follows:

	Group	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Primary healthcare:		
<u>South-Central</u>		
Foo & Associates Pte. Ltd.	5,411	5,411
TP Dental Surgeons Pte. Ltd.	27,545	27,545
Tiong Bahru Dental Surgery Pte. Ltd. and Bright Smile Dental Surgery Pte. Ltd.	3,386	3,386
Aesthetics Dental Surgery Pte. Ltd.	3,857	3,857
Lee & Lee (Dental Surgeons) Pte. Ltd.	8,641	8,641
Q & M Dental Surgery (Khatib) Pte. Ltd.	350	350
Subtotal	<u>49,190</u>	<u>49,190</u>
<u>North-East</u>		
Dentigiene Dental Surgery Pte. Ltd.	490	490
Subtotal	<u>490</u>	<u>490</u>
<u>East</u>		
Ho Dental Surgery (Marine Parade) Pte. Ltd.	1,660	1,660
Subtotal	<u>1,660</u>	<u>1,660</u>
<u>West</u>		
Jurong Point Dental Centre Pte. Ltd.	1,280	1,280
British Dental Surgery Pte. Ltd.	362	362
Subtotal	<u>1,642</u>	<u>1,642</u>
<u>Others</u>		
Q & M Dental Surgery (Molek) Sdn. Bhd.	275	266
D & D Dental Sdn. Bhd.	115	124
Shanghai Chuangyi Investment and Management Co., Ltd.	1,655	1,655
Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd.	10	10
NG GK Dental Surgery (Melaka) Sdn. Bhd.	132	140
QA Healthcare Solutions Pte. Ltd.	49	49
Q & M Dental Surgery (Bandar Puteri Puchong) Sdn. Bhd.	72	77
Q & M Dental Surgery Selatan Sdn. Bhd.	126	134
Subtotal	<u>2,434</u>	<u>2,455</u>
Total	<u>55,416</u>	<u>55,437</u>

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value in use. The recoverable amounts of CGUs have been measured based on its value in use method.

The value in use was measured by management. The key assumptions for the value in use calculations are as follows. The value in use is a recurring fair value measurement (level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the CGUs are consistent with those used for the measurement last performed, and is analysed as follows.

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16. Goodwill (cont'd)

Asset or CGU – Primary healthcare:

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 2% (2021: 2%) terminal growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) is 10.5% (2021: 10%). Management believes that any reasonably possible change in the key assumptions on which this segment's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

No impairment allowance was recognised because the carrying amounts of all cash-generating units were higher than their recoverable amounts.

Actual outcomes could vary from these estimates. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 2 percentage point less favourable than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the actual revenue, gross margin and the pre-tax discounted rate had subsequently been more favourable than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because the financial reporting standard on impairment of assets does not permit reversing an impairment loss on goodwill.

Asset or CGU – Medical laboratory:

Following the Singapore's lifting of the Covid-19 restrictions, the Group has commenced shifting from Covid-19 business activities to non-Covid-19 business activities. The Group has just implemented its business developments plans to increase its market share as its non Covid-19 products were only launched in late FY2022. Hence, management expects its revenue to grow at a rate higher than the long-term average growth of the sector over the next nine years.

The impairment test was carried out using a discounted cash flow model covering a nine-year period. Cash flows projections are based on the next nine year budgets and plans approved by management; cash flows projections beyond that nine-year period have been extrapolated on the basis of a 3% (2021: 2%) terminal growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. In view of the reason mentioned in the preceding paragraph, management has assessed that it is reasonable to consider cash flows for a longer period until the stage when the Group has established its products in the market. The discount rate applied (weighted average cost of capital gross of tax effect) is 22% (2021: 20%). The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

No impairment allowance was recognised because the carrying amounts of all cash-generating units were higher than their recoverable amounts.

Actual outcomes could vary from these estimates. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 3 percentage point less favourable than management's estimates, the recoverable amount would still be higher than the carrying value of goodwill. If the actual revenue, gross margin and the pre-tax discounted rate had been more favourable than management's estimates, management would not be able to reverse any impairment losses that arose on goodwill because the financial reporting standard on impairment of assets does not permit reversing an impairment loss on goodwill.

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17. Other intangible assets

	Development costs \$'000	Customer lists \$'000	Total \$'000
<u>Cost:</u>			
At 1 January 2021	1,298	2,764	4,062
Additions	1,061	–	1,061
Additions arising from acquisition of a subsidiary (Note 29)	–	88	88
Effect of movement in exchange rate	–	(1)	(1)
At 31 December 2021	2,359	2,851	5,210
Additions	1,193	470	1,663
At 31 December 2022	3,552	3,321	6,873
<u>Accumulated amortisation and impairment:</u>			
At 1 January 2021	–	1,248	1,248
Amortisation for the year	–	384	384
Effect of movement in exchange rate	–	(2)	(2)
At 31 December 2021	–	1,630	1,630
Amortisation for the year	235	404	639
At 31 December 2022	235	2,034	2,269
<u>Carrying value:</u>			
At 1 January 2021	1,298	1,516	2,814
At 31 December 2021	2,359	1,221	3,580
At 31 December 2022	3,317	1,287	4,604

18. Inventories

	Group	
	2022 \$'000	2021 \$'000
Finished goods	6,680	11,731
Dental supplies	4,411	4,161
	<u>11,091</u>	<u>15,892</u>
Movement in allowance for impairment:		
Balance at beginning of the year	(579)	(202)
Impairment loss recognised in the year included in other losses (Note 9)	(4,879)	(377)
Balance at end of the year	<u>(5,458)</u>	<u>(579)</u>

Certain inventories are pledged as security for bank facilities (see Note 28).

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19. Trade and other receivables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Current</u>				
<u>Trade receivables:</u>				
Outside parties	8,884	14,012	–	–
Subsidiaries	–	–	27,177	31,608
Less allowance for impairment	(156)	(156)	(1,943)	(1,943)
Net trade receivables – subtotal	<u>8,728</u>	<u>13,856</u>	<u>25,234</u>	<u>29,665</u>
<u>Other receivables:</u>				
Subsidiaries (Note 3)	–	–	69,863	61,685
Less allowance for impairment	–	–	(14,976)	(10,405)
Deposits to secure services	4,576	4,207	221	207
Receivable from directors of subsidiaries / associate ^(a)	12,989	10,219	8,175	8,035
Less allowance for impairment	(1,242)	(1,335)	–	–
Other receivables	2,834	1,719	–	552
Less allowance for impairment	(915)	(843)	–	–
Net other receivables – subtotal	<u>18,242</u>	<u>13,967</u>	<u>63,283</u>	<u>60,074</u>
Total trade and other receivables	<u>26,970</u>	<u>27,823</u>	<u>88,517</u>	<u>89,739</u>
<u>Non-current:</u>				
Other receivables	<u>2,174</u>	<u>2,401</u>	<u>1,835</u>	<u>2,068</u>

(a) Profit guarantee receivables from directors of subsidiaries and associates of the Group.

The non-current portion of the receivables are as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Within 2 to 5 years	1,888	1,837	1,715	1,608
Later than 5 years	286	564	120	460
Total	<u>2,174</u>	<u>2,401</u>	<u>1,835</u>	<u>2,068</u>

Other receivables include the following unsecured loans to certain dentists and employees of the Group:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-interest bearing loan	1,978	1,958	1,777	1,770
Interest bearing loans	196	443	58	298
	<u>2,174</u>	<u>2,401</u>	<u>1,835</u>	<u>2,068</u>

Interest bearing loans of the Group and the Company includes \$196,000 (2021: \$213,000) and \$58,000 (2021: \$68,000) to certain dentists, which are repayable monthly over 3 to 7 years, commencing from the date of appointment of the dentists concerned. Interest is charged at 5% per annum, subject to review annually.

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19 Trade and other receivables (cont'd)

Interest bearing loans of the Group and the Company include \$Nil to a related party (2021: \$230,000), which are repayable at the end of December 2022 or earlier. Interest is charged at 3% per annum.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Movements in above allowance on trade receivables:				
Balance at beginning of the year	156	156	1,943	2,167
Reversal of trade receivables to profit or loss included in other gains	–	–	–	(224)
Balance at end of the year	<u>156</u>	<u>156</u>	<u>1,943</u>	<u>1,943</u>
Movements in above allowance on other receivables:				
Balance at beginning of the year	2,178	2,091	10,405	9,254
Foreign currency translation adjustment	–	12	–	–
Charge for other receivables to profit or loss included in other losses	86	75	4,571	1,151
Used	(107)	–	–	–
Balance at end of the year	<u>2,157</u>	<u>2,178</u>	<u>14,976</u>	<u>10,405</u>

The expected credit losses (ECL) on the above third parties trade receivables are based on the simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the Covid-19 pandemic.

(i) *The ageing of the trade receivables is as follows:*

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Gross trade receivables:				
Current	4,785	3,228	15,806	13,644
Less than 30 days	1,436	1,998	1,021	–
31 to 60 days	683	4,878	1,013	–
Over 60 days	1,980	3,908	9,337	17,964
Total	<u>8,884</u>	<u>14,012</u>	<u>27,177</u>	<u>31,608</u>

The age analysis of non-related party trade receivables that are impaired is as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Over 60 days	<u>156</u>	<u>156</u>	<u>–</u>	<u>–</u>

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31 December 2022

19. Trade and other receivables (cont'd)

(i) *The ageing of the trade receivables is as follows: (cont'd)*

The receivables from subsidiaries have common risk characteristics. The Company assesses the credit risk of its subsidiaries individually. The trade receivables are considered to have low credit risk individually.

The trade receivables are not secured.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There is no collateral held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to non-related trade receivable customers is about 30 days (2021: 30 days). The dental and medical clinics and centres do not generally grant credit as services are usually settled in cash, NETS and credit card payments. The trade receivables are mainly NETS and credit card payments that take approximately a few days to settle. Certain subsidiaries engaged in the trading of dental surgery materials and equipment and the provision of medical laboratory services, grant credit term of 30 days to 120 days (2021: 30 days to 120 days) to their customers.

(ii) *Concentration of credit risk*

Concentration of trade receivable customers as at the end of reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Top 1 customer	1,404	4,163	3,000	3,807
Top 2 customers	<u>1,438</u>	<u>6,252</u>	<u>4,985</u>	<u>4,884</u>

The other receivables shown above are subject to the expected credit loss (ECL) allowance assessment under the financial reporting standard on financial instruments. Other receivables are normally with no fixed terms and therefore there is no fixed maturity date. Related company other receivables are regarded as of low credit risk if they are guaranteed by the parent or a related party with the ability to settle the amount. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. A significant increase in credit risk is defined by management as any contractual or expected payment which is more than 60 days past due. Any contractual or expected payment which is more than 90 days past due is considered credit impaired. A loss allowance balances of \$2,157,000 (2021: \$2,178,000) and \$14,976,000 (2021: \$10,405,000) of the Group and the Company were recognised respectively.

Save for loans to certain dentists and employees as disclosed above, other receivables are normally with no fixed terms and therefore there is no maturity.

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20. Other non-financial assets

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Non-current:</u>				
Sign-on bonus	5,483	5,432	2,169	2,210
Prepaid services – via performance shares	1,994	1,567	1,994	1,567
Assignment fees	63	81	–	–
	<u>7,540</u>	<u>7,080</u>	<u>4,163</u>	<u>3,777</u>
<u>Current:</u>				
Prepayments	2,144	2,024	696	830
Sign-on bonus	1,485	1,573	445	446
Prepaid services – via performance shares	397	218	397	218
Assignment fees	18	18	–	–
	<u>4,044</u>	<u>3,833</u>	<u>1,538</u>	<u>1,494</u>

21. Cash and cash equivalents

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not restricted in use	<u>39,698</u>	<u>47,611</u>	<u>5,834</u>	<u>2,661</u>
Interest earning balances	<u>1,004</u>	<u>2,284</u>	<u>1,004</u>	<u>88</u>

The interest earned from the interest earning balances was not significant.

21A. Non-cash transactions

	Group	
	2022 \$'000	2021 \$'000
Acquisitions of certain assets under property, plant and equipment under lease contracts	<u>–</u>	<u>75</u>

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21. Cash and cash equivalents (cont'd)

21B. Reconciliation of liabilities arising from financing activities:

<u>Group</u>	<u>2021</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	80,176	2,400	2,001 ^(b)	84,577
Short-term borrowings	3,552	(1,078)	(2,001) ^(b)	473
Lease liabilities	54,204	(11,467)	13,030 ^(a)	55,767
Total liabilities from financing activities	<u>137,932</u>	<u>(10,145)</u>	<u>13,030</u>	<u>140,817</u>
	<u>2020</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	73,599	10,000	(3,423) ^(b)	80,176
Short-term borrowings	1,941	(1,887)	3,498 ^(b)	3,552
Lease liabilities	51,274	(8,787)	11,717 ^(a)	54,204
Total liabilities from financing activities	<u>126,814</u>	<u>(674)</u>	<u>11,792</u>	<u>137,932</u>

(a) Mainly due to acquisitions and Covid-19 related rent concessions from lessors.

(b) Mainly due to reclassification of bank loans from non-current to current.

22. Share capital

<u>Group and Company:</u>	<u>Number of shares issued</u>	<u>Share capital</u>
	'000	\$'000
Ordinary shares of no par value:		
Balance at 1 January 2021	804,887	86,758
Bonus shares issued ^(b)	160,978	–
Balance at 31 December 2021 and 31 December 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.

<u>Group and Company:</u>	<u>Number of treasury shares</u>	<u>Cost</u>
	'000	\$'000
Balance at 1 January 2021	17,578	10,897
Share buyback ^(a)	5,328	3,053
Treasury shares issued ^(b)	3,516	–
Balance at 31 December 2021	<u>26,422</u>	<u>13,950</u>
Transfer of treasury shares at \$0.351 cents each ^(c)	(4,986)	(1,750)
Transfer of treasury shares at \$0.330 cents each ^(d)	(2,014)	(665)
Balance at 31 December 2022	<u>19,422</u>	<u>11,535</u>

NOTES TO THE FINANCIAL STATEMENTS

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22. Share capital (cont'd)

- (a) The treasury shares relate to ordinary shares of the Company that are held by the Company. Pursuant to the share buyback mandate approved by shareholders, the Company purchased Nil (2021: 5,328,000) of its shares by way of on-market purchases at share prices ranging from Nil (2021: \$0.55 to \$0.58) to be cancelled in future and or to serve the share option plan for shares awards to employees. The total amount paid or payable to purchase shares was Nil (2021: \$3,053,000) and this is presented as a component within equity attributable to equity holders of the Company.
- (b) On 9 September 2021, the Company issued 160,978,000 ordinary shares and 3,516,000 treasury shares representing one bonus ordinary share for every five existing ordinary shares and one bonus treasury shares for every five existing treasury shares in the capital of the Company.
- (c) On 20 October 2022, the Company issued 4,986,000 ordinary shares from its treasury shares to 7 key dentists of the Group for an aggregate gross cash consideration of \$1,750,000.
- (d) On 20 October 2022, the Company issued 2,014,245 ordinary shares from its treasury shares to 7 key dentists of the Group pursuant to the Q & M Performance Share Plan 2018 (see Note 24).

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Net debt:				
All current and non-current borrowings including leases	140,817	137,932	82,494	82,973
Less: Cash and cash equivalents	(39,698)	(47,611)	(5,834)	(2,661)
Net debt	<u>101,119</u>	<u>90,321</u>	<u>76,660</u>	<u>80,312</u>
Adjusted capital:				
Total equity	<u>102,248</u>	<u>103,246</u>	<u>81,754</u>	<u>84,769</u>
Adjusted capital	<u>102,248</u>	<u>103,246</u>	<u>81,754</u>	<u>84,769</u>
Debt-to-adjusted capital ratio	<u>98.9%</u>	<u>87.5%</u>	<u>93.8%</u>	<u>94.7%</u>

The increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in other financial liabilities.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

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22. Share capital (cont'd)

Capital management (cont'd):

In order to maintain its listing on the Singapore Stock Exchange, it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

23. Other reserves

	Group	
	2022	2021
	\$'000	\$'000
Foreign currency translation reserve (Note 23A)	(2,696)	(773)
Other reserves	(200)	(192)
Total at end of the year	<u>(2,896)</u>	<u>(965)</u>

23A. Foreign currency translation reserve

	Group	
	2022	2021
	\$'000	\$'000
At beginning of the year	(773)	(1,745)
Exchange differences on translating foreign operations	(1,923)	972
At end of the year	<u>(2,696)</u>	<u>(773)</u>

All reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised. The currency translation reserve accumulates all foreign exchange differences.

24. Share-based payments

Under the Q & M Performance Share Plan 2018, a participant may be granted award of shares. The eligibility of the participants, the number of shares which are the subject of each award to be granted to a participant and the vesting period of 1 to 10 years shall be determined at the discretion of the Plan Committee, taking into account inter alia certain prescribed performance targets, if any.

In September 2022, the Company granted share awards to eligible employees of the Group by the allotment and issuance of an aggregate of 2,014,245 ordinary shares from the treasury shares of the Company pursuant to the Q & M Performance Share Plan 2018. The shares were granted with a service condition that the dentists remain within the Group's employment for an additional 10 years. The shares were granted at fair value of \$0.33 per share. The shares were subsequently issued on 20 October 2022 (see Note 22^(d)).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

25. Provisions

	Group	
	2022	2021
	\$'000	\$'000
Provision for reinstatement of leased premises	<u>767</u>	<u>776</u>
Movements in above provision:		
Balance at beginning of the year	776	850
Additions	–	47
Used	(9)	(121)
Balance at end of the year	<u>767</u>	<u>776</u>

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased premises. The estimate is based on quotations from external contractors.

26. Lease liabilities and right-of-use assets

The right-of-use assets and lease liabilities in the statement of financial position. The movements are as follows:

Group	Dental, medical and office premises \$'000	Lease liabilities \$'000
At 1 January 2021	70,790	54,406
Accretion of interest	–	1,599
Additions	10,299	10,299
Disposals	(6,899)	(304)
Lease modification	3,685	3,685
Lease payments – principal portion paid	–	(8,787)
Interest paid	–	(1,599)
At 31 December 2021	<u>77,875</u>	<u>59,299</u>
Accretion of interest	–	1,855
Additions	5,277	5,277
Disposals	(10,139)	(274)
Lease modification	8,095	8,095
Lease payments – principal portion paid	–	(11,467)
Interest paid	–	(1,855)
At 31 December 2022	<u>81,108</u>	<u>60,930</u>

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26. Lease liabilities and right-of-use assets (cont'd)

<u>Group</u> (cont'd)	Dental, medical and office premises \$'000	Lease liabilities \$'000
<u>Accumulated depreciation:</u>		
At 1 January 2021	21,269	(3,132)
Depreciation for the year	9,456	–
Disposals	(6,529)	–
Rental concession from lessor	1,963	(1,963)
At 31 December 2021	26,159	(5,095)
Depreciation for the year	12,169	–
Disposals	(9,877)	–
Rental concession from lessor	68	(68)
At 31 December 2022	28,519	5,163
<u>Carrying value:</u>		
At 1 January 2021	49,521	51,274
At 31 December 2021	51,716	54,204
At 31 December 2022	52,589	55,767
<u>Company</u>	Dental, medical and office premises \$'000	Lease liabilities \$'000
At 1 January 2021	718	643
Accretion of interest	–	24
Additions	880	880
Lease payments – principal portion paid	–	(203)
Interest paid	–	(24)
At 31 December 2021	1,598	1,320
Accretion of interest	–	33
Disposals	(69)	–
Lease modification	514	514
Lease payments – principal portion paid	–	(206)
Interest paid	–	(33)
At 31 December 2022	2,043	1,628

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

26. Lease liabilities and right-of-use assets (cont'd)

<u>Company</u> (cont'd)	Dental, medical and office premises \$'000	Lease liabilities \$'000
<u>Accumulated depreciation:</u>		
At 1 January 2021	85	–
Depreciation for the year	218	–
At 31 December 2021	303	–
Depreciation for the year	227	–
Disposals	(69)	–
At 31 December 2022	461	–
<u>Carrying value:</u>		
At 1 January 2021	633	643
At 31 December 2021	1,295	1,320
At 31 December 2022	1,582	1,628

Lease liabilities are presented in the statement of financial position as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Lease liabilities, current	10,547	9,908	201	189
Lease liabilities, non-current	45,220	44,296	1,427	1,131
	<u>55,767</u>	<u>54,204</u>	<u>1,628</u>	<u>1,320</u>

The leases are for dental and medical clinics and office premises. The lease contracts are usually for fixed periods of 2 to 5 (2021: 2 to 5) years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The weighted average incremental borrowing rate applied to lease liabilities recognised is between 1.68% and 6% (2021: 1.68% and 6%) per annum.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

26. Lease liabilities and right-of-use assets (cont'd)

A summary of the maturity analysis of lease liabilities is disclosed in Note 31E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in table above.

At reporting year date there were no commitments on leases which had not commenced.

Other disclosures on leases:

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Group</u>		
Expense relating to short-term leases included in other expenses	<u>274</u>	<u>345</u>

27. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	16,225	18,459	1,573	2,936
Subsidiaries	–	–	863	1,563
Trade payables – subtotal	<u>16,225</u>	<u>18,459</u>	<u>2,436</u>	<u>4,499</u>
<u>Other payables:</u>				
Deposits received	304	118	–	–
Amount due to vendors of acquired subsidiaries	1,144	1,369	1,303	1,209
Amount due to directors of the subsidiaries	779	835	–	–
Other payables	929	558	–	147
Dividend payable to non-controlling interest	–	4,900	–	–
Subsidiaries (Note 3)	–	–	23,821	23,681
Other payables – subtotal	<u>3,156</u>	<u>7,780</u>	<u>25,124</u>	<u>25,037</u>
Total trade and other payables	<u>19,381</u>	<u>26,239</u>	<u>27,560</u>	<u>29,536</u>

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28. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Bank loans (Note 28A)	84,515	80,097	80,620	78,408
Finance leases (Note 28B)	62	79	–	–
Non-current, total	<u>84,577</u>	<u>80,176</u>	<u>80,620</u>	<u>78,408</u>
<u>Current:</u>				
Bank loans (Note 28A)	453	3,371	246	3,245
Finance leases (Note 28B)	20	21	–	–
Bills payable (Note 28C)	–	160	–	–
Current, total	<u>473</u>	<u>3,552</u>	<u>246</u>	<u>3,245</u>
Total	<u>85,050</u>	<u>83,728</u>	<u>80,866</u>	<u>81,653</u>

The non-current portion is repayable as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Due within 2 to 5 years	77,300	74,590	76,629	74,252
Due after 5 years	7,277	5,586	3,991	4,156
Total non-current portion	<u>84,577</u>	<u>80,176</u>	<u>80,620</u>	<u>78,408</u>

The range of floating rate interest rates paid were as follows:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	%	%
Bank loans	1.32 – 4.68	0.92 – 6.16
Bills payable	–	1.20

The floating debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The exposure of the borrowings to interest rate changes and the contractual repricing dates at the end of the reporting years was below six months.

28A. Bank loans

The bank loans are secured or covered by the following:

- First legal assignment at all rights, title and benefits under existing and future tenancy agreements and rental income; and
- Legal mortgage over properties (Note 13).

The fair value (level 2) of the bank loans is a reasonable approximation of the carrying amount as it is a floating rate instrument that is frequently re-priced to market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

28. Other financial liabilities (cont'd)

28A. Bank loans (cont'd)

The Company is required to comply with certain financial covenants such as:

- (i) The consolidated shareholders' equity shall not at any time be less than \$60,000,000.
- (ii) The ratio of consolidated net debt to consolidated shareholders' equity shall not at any time exceed 1.75 to 2:1; and
- (iii) The ratio of consolidated earnings before interest, taxes, depreciation and amortisation to consolidated interest expense shall not at any time be less than 1.75:1.

28B. Finance leases

The principal shall be repaid in full within 60 months from the drawdown date.

<u>Group</u>	<u>Minimum</u>	<u>Finance</u>	<u>Present</u>
<u>2022</u>	<u>payments</u>	<u>charges</u>	<u>value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Minimum lease payments payable:			
Due within one year	22	(2)	20
Due within two to five years	67	(5)	62
Total	<u>89</u>	<u>(7)</u>	<u>82</u>
Net book value of plant and equipment under finance leases			<u>113</u>

<u>Group</u>	<u>Minimum</u>	<u>Finance</u>	<u>Present</u>
<u>2021</u>	<u>payments</u>	<u>charges</u>	<u>value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Minimum lease payments payable:			
Due within one year	23	(2)	21
Due within two to five years	87	(8)	79
Total	<u>110</u>	<u>(10)</u>	<u>100</u>
Net book value of plant and equipment under finance leases			<u>42</u>

There are leases for certain of its plant and equipment under finance leases. The average lease term was 5 years (2021: 5 years). The fixed rate of interest for finance leases was 5.70% (2021: 5.70%) per annum. All leases are on a fixed repayment basis and no arrangements were entered into for contingent rental payments. The obligations under finance leases were secured by the lessor's charge over the leased assets.

The fixed interest rate approximates the market interest rate. The carrying amount of the lease liabilities was not significantly different from the fair value (level 2).

The finance leases disclosed above are not included in Note 26 as the finance leases are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

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28. Other financial liabilities (cont'd)

28C. Bills payable

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

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

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

29. Acquisition of businesses and subsidiaries

On 1 November 2021, the associate, Aoxin Q & M acquired 3,000,000 ordinary shares, representing 49% interest in the shareholdings of Acumen Diagnostics Pte. Ltd. ("AD") from Dr Ong Siew Hua the non-controlling interest for a consideration of \$29,400,000 which was satisfied by the issuance of 127,272,726 new ordinary shares in the capital of the 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 43.38% to 32.95%. Consequentially, the Group's effective interest in its subsidiary, AD increased from 51% to 67.15%.

On 1 November 2021, the Group acquired 100% of the shareholding interest of Acumen Research Laboratories Pte. Ltd. ("ARL") pursuant to the option agreement dated 22 April 2021 for a purchase consideration of \$3 million. This acquisition was completed with the Group holding an equity ownership of 100% in ARL through AD. The acquisition of ARL was a contractual condition for Aoxin Q & M's acquisition of the 49% interest in the shareholdings of AD as set out in the preceding paragraph.

The transaction was accounted for by the acquisition method of accounting.

Management has since finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition. The fair values of identified assets acquired and liabilities assumed are shown below:

	Fair values at date of <u>acquisition</u> \$'000
Plant and equipment	118
Intangible assets	88
Trade and other receivables	160
Cash and cash equivalents	149
Trade and other payables	(325)
Net identifiable assets	<u>190</u>

NOTES TO THE FINANCIAL STATEMENTS

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29. Acquisition of businesses and subsidiaries (cont'd)

	<u>2021</u> \$'000
Consideration transferred	3,000
Fair value of identifiable net assets recognised	<u>(190)</u>
Goodwill arising on acquisition – provisional	<u><u>2,810</u></u>
Cash consideration	3,000
Less: Amount payable to vendor of the acquired business	<u>(150)</u>
Net cash outflow from acquisition of business	<u><u>2,850</u></u>

The goodwill arising on acquisition of the subsidiary is attributable to the anticipated profitability of the acquired subsidiary.

The contribution from the acquired subsidiary for the period between the date of acquisition and the statement of financial position date was as follows:

	From date of acquisition <u>in 2021</u> \$'000
<u>Group</u>	
Revenue	–
Loss before tax	<u><u>(56)</u></u>

30. Operating lease income commitments – as lessor

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first five years and the total amounts for the remaining years is as follows:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Not later than one year	480	401
Between 2 and 5 years	<u>281</u>	<u>477</u>
Total	<u><u>761</u></u>	<u><u>878</u></u>
Rental income for the year (Note 5)	<u><u>472</u></u>	<u><u>540</u></u>

Operating lease income commitments are for certain clinics. The lease rental income terms are negotiated for a range of term from 2 to 5 years (2021: 2 to 5 years) and rentals are not subject to any escalation clause. There are certain operating leases for the rental of certain dental premises with no commitment terms.

As the lessor, the Group manages the risk associated with any rights it retains in the underlying assets by having insurance coverage to reduce that risk.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

31. Financial instruments: information on financial risks

31A. Categories of financial assets and liabilities

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

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	68,842	77,835	96,186	94,468
At end of the year	<u>68,842</u>	<u>77,835</u>	<u>96,186</u>	<u>94,468</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	160,198	164,171	110,054	112,509
At end of the year	<u>160,198</u>	<u>164,171</u>	<u>110,054</u>	<u>112,509</u>

Further quantitative disclosures are included throughout these financial statements.

31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

31C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

31. Financial instruments: information on financial risks (cont'd)

31D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances and any other financial instruments with banks and other financial institutions is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the ECL allowance. Under this general approach the financial assets move through the three stages as their credit quality change. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, for trade receivables that do not contain a significant financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a significant financing component, the reporting entity applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the reporting entity does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss.

Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 discloses the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

31E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2021: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than <u>1 year</u> \$'000	2 to 5 <u>years</u> \$'000	Over 5 <u>years</u> \$'000	<u>Total</u> \$'000
Non-derivative financial liabilities:				
<u>Group</u>				
<u>2022:</u>				
Trade and other payables	19,381	–	–	19,381
Gross borrowings commitments	2,946	79,505	10,094	92,545
Gross lease liabilities	12,854	39,925	7,470	60,249
At end of year	<u>35,181</u>	<u>119,430</u>	<u>17,564</u>	<u>172,175</u>
<u>2021:</u>				
Trade and other payables	26,239	–	–	26,239
Gross borrowings commitments	4,777	78,794	6,000	89,571
Gross lease liabilities	12,119	37,095	8,178	57,392
At end of year	<u>43,135</u>	<u>115,889</u>	<u>14,178</u>	<u>173,202</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

31. Financial instruments: information on financial risks (cont'd)

31E. Liquidity risk – financial liabilities maturity analysis (cont'd)

	Less than 1 year \$'000	2 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Non-derivative financial liabilities:				
<u>Company</u>				
<u>2022:</u>				
Trade and other payables	27,560	–	–	27,560
Gross borrowings commitments	2,652	78,152	5,373	86,177
Gross lease liabilities	227	938	569	1,734
At end of year	<u>30,439</u>	<u>79,090</u>	<u>5,942</u>	<u>115,471</u>
<u>2021:</u>				
Trade and other payables	29,536	–	–	29,536
Gross borrowings commitments	4,537	78,602	4,502	87,641
Gross lease liabilities	153	645	560	1,358
At end of year	<u>34,226</u>	<u>79,247</u>	<u>5,062</u>	<u>118,535</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year, no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Less than 1 year \$'000
<u>Company</u>	
<u>2022:</u>	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	4,102
At end of the year	<u>4,102</u>
<u>2021:</u>	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	2,555
At end of the year	<u>2,555</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

31. Financial instruments: information on financial risks (cont'd)

31E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Bank facilities:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Unutilised bank overdraft	1,500	1,500
Unutilised credit facilities / foreign exchange	18,026	27,082
Unutilised fixed advance facilities	2,000	2,000
Unutilised money market loan	20,000	20,000
Unutilised interest rate swap facilities	60,000	60,000
Unutilised multicurrency medium term note	500,000	500,000
Unutilised revolving credit facilities	<u>3,000</u>	<u>8,000</u>

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

31F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>Group</u>		<u>Company</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Financial assets with interest:				
Fixed rates	196	443	58	298
Floating rates	<u>1,004</u>	<u>2,284</u>	<u>1,004</u>	<u>88</u>
Total at end of the year	<u>1,200</u>	<u>2,727</u>	<u>1,062</u>	<u>386</u>
Financial liabilities with interest:				
Fixed rates	55,849	54,304	1,628	1,320
Floating rates	<u>84,968</u>	<u>83,628</u>	<u>80,866</u>	<u>81,653</u>
Total at end of the year	<u>140,817</u>	<u>137,932</u>	<u>82,494</u>	<u>82,973</u>

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on post tax profit is not significant.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

31. Financial instruments: information on financial risks (cont'd)

31G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on post tax profit is not significant.

32. Items in profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following expenses:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Audit fees to the independent auditor of the Company	414	401
Audit fees to the other independent auditor	34	31
Other fees to the independent auditor of the Company	<u>16</u>	<u>17</u>

33. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS(I) No.</u>	<u>Title</u>
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)
SFRS (I) 16	Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendments to
Various	Annual Improvements to SFRS (I)s 2018-2020 – Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases, and; SFRS(I) 1-41 Agriculture

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

34. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS(I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS (I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS (I) 1-12, SFRS (I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 January 2023
SFRS (I)10 and SFRS (I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	To be determined

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

SHARE CAPITAL

Class of shares	:	Ordinary Shares
Number of issued and paid-up shares (excluding treasury shares)	:	946,442,940
Voting rights	:	One vote per ordinary share
Number of treasury shares	:	19,422,407
Number of subsidiary holdings held	:	NIL
% of treasury shares to total number of issued shares (excluding treasury shares)	:	2.052%

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 15 March 2023, approximately 36.64% of the Company's issued ordinary shares (excluding treasury shares) were held by the public, and Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, is complied with.

DISTRIBUTION OF SHAREHOLDINGS

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 - 99	36	0.66	950	0.00
100 - 1,000	198	3.64	105,910	0.01
1,001 - 10,000	1,981	36.37	11,297,518	1.19
10,001 - 1,000,000	3,189	58.56	160,576,518	16.97
1,000,001 and above	42	0.77	774,462,044	81.83
Total:	<u>5,446</u>	<u>100.00</u>	<u>946,442,940</u>	<u>100.00</u>

*Excluding Treasury Shares as at 15 March 2023 - 19,422,407 shares

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	QUAN MIN HOLDINGS PTE LTD	238,772,149	25.23
2	DBS NOMINEES PTE LTD	97,154,707	10.27
3	OCBC SECURITIES PRIVATE LTD	75,423,880	7.97
4	CITIBANK NOMINEES SINGAPORE PTE LTD	70,262,551	7.42
5	RAFFLES NOMINEES (PTE) LIMITED	54,129,259	5.72
6	KGI SECURITIES (SINGAPORE) PTE. LTD	49,301,040	5.21
7	PHILLIP SECURITIES PTE LTD	38,195,631	4.04
8	RHB BANK NOMINEES PTE LTD	23,280,000	2.46
9	QUAN MIN PLUS PTE LTD	17,280,000	1.83
10	CHAN PUI KEE	16,269,643	1.72
11	LAI MING CHUN @ LAI POH LIN	11,973,900	1.27
12	IFAST FINANCIAL PTE LTD	8,481,000	0.90
13	LIM KUO KAE	7,114,700	0.75
14	PRECISE DEVELOPMENT PTE LTD	6,214,920	0.66
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,931,260	0.63
16	OCBC NOMINEES SINGAPORE PTE LTD	5,402,480	0.57
17	MAYBANK SECURITIES PTE. LTD.	5,006,480	0.53
18	UOB KAY HIAN PTE LTD	3,675,866	0.39
19	CHOO KEANG HAI	3,416,666	0.36
20	DALILA BINTE HASHIM	2,658,919	0.28
	Total:	<u>739,945,051</u>	<u>78.21</u>

Note:

%: Based on 946,442,940 shares (excluding shares held as treasury shares) as at 15 March 2023

*Treasury Shares as at 15 March 2023 - 19,422,407 shares

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

<u>No.</u>	<u>Name</u>	<u>No. of shares held as Direct</u>	<u>%⁽¹⁾</u>	<u>No. of shares held as Deemed</u>	<u>%⁽¹⁾</u>
1	Quan Min Holdings Pte. Ltd. ⁽²⁾	502,505,889 ⁽³⁾	53.09	-	-
2	Dr Ng Chin Siau	5,528,900 ⁽⁴⁾	0.58	502,627,089 ⁽⁵⁾	53.11
3	Heritas Helios Investments Pte. Ltd. ⁽⁶⁾	64,132,538	6.78	-	-
4	IMC Heritas Investments Ltd. ⁽⁷⁾	-	-	64,132,538	6.78
5	IMC Pan Asia Alliance Corporation ⁽⁸⁾	-	-	64,132,538	6.78
6	Heritas Capital Management Pte. Ltd. ⁽⁹⁾	-	-	64,132,538	6.78

Notes:

- (1) The percentage shareholding interest is computed based on 946,442,940 shares (excluding treasury shares).
- (2) Quan Min Holdings Pte. Ltd. is an investment holding company incorporated in Singapore and is the Company's ultimate parent company.
- (3) 263,733,740 shares are held in the name of various nominees.
- (4) 5,500,000 shares are held in the name of various nominees.
- (5) Dr Ng Chin Siau is deemed to have interest in the Shares held by (i) Quan Min Holdings Pte. Ltd. by virtue of his 49.80% direct shareholding in Quan Min Holdings Pte. Ltd; and (ii) his spouse's, Foo Siew Jiuan, 121,200 ordinary shares.
- (6) The entire shares are held in the name of Citibank Nominees Singapore Pte. Ltd.
- (7) IMC Heritas Investments Ltd. is the owner of the entire share capital of Heritas Helios Investments Pte. Ltd.
- (8) IMC Pan Asia Alliance Corporation is the owner of the entire share capital of IMC Heritas Investments Ltd., which is in turn the owner of the entire share capital of Heritas Helios Investments Pte. Ltd.
- (9) Heritas Capital Management Pte. Ltd. is the discretionary investment manager of Heritas Helios Investments Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

This Notice has been made available on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website and may be accessed at <https://qandm-dental.listedcompany.com>. A printed copy of this Notice will NOT be despatched to shareholders.

NOTICE IS HEREBY GIVEN that the annual general meeting of Q & M Dental Group (Singapore) Limited (the "**Company**") will be held at 2 Clementi Loop, #03-02 Logis Hub @ Clementi, Singapore 129809 on Monday 24 April 2023 at 2.30 p.m. (the "**AGM**" or the "**Meeting**") to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 31 December 2022 together with the auditor's report thereon. **(Resolution 1)**
2. To approve the sum of S\$268,333/- to be paid to all independent directors as directors' fees for the financial year ended 31 December 2022 [2021: S\$246,000/-]. **(Resolution 2)**
3. To re-elect Prof Toh Chooi Gait, retiring pursuant to article 104 of the Company's constitution (the "**Constitution**"). **(Resolution 3)**

[\[see Explanatory Note \(i\)\]](#)
4. To re-elect Mr Narayanan Sreenivasan, retiring pursuant to article 104 of the Constitution. **(Resolution 4)**

[\[see Explanatory Note \(ii\)\]](#)
5. To re-elect Dr Ng Chin Siau, retiring pursuant to Rule 720(5) of the Mainboard Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Mainboard Rules"). **(Resolution 5)**

[\[see Explanatory Note \(iii\)\]](#)
6. To re-elect Mr Tan Teck Koon, retiring pursuant to article 114 of the Constitution. **(Resolution 6)**

[\[see Explanatory Note \(iv\)\]](#)
7. To re-appoint Messrs RSM Chio Lim LLP as auditors of the Company and to authorise the directors of the Company to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

8. **Authority to Issue and Allot Shares** **(Resolution 8)**
 - (a) That pursuant to section 161 of the Companies Act 1967 of Singapore (the "**Act**") and the Mainboard Rules, approval be and is hereby given to the directors of the Company at any time to such persons and upon such terms and for such purposes as the directors of the Company may in their absolute discretion deem fit, to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the directors of the Company while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings. Unless prior shareholders' approval is required under the Mainboard Rules, an issue of treasury shares will not require further shareholders' approval and will not be included in the aforementioned limits;

For the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings is based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

(aa) new shares arising from the conversion or exercise of convertible securities;

(bb) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Mainboard Rules; and

(cc) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with the abovementioned (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

(ii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Mainboard Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Constitution for the time being of the Company;

(iii) the authority conferred by this resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[see Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

9. Proposed Renewal of Share Buy-Back Mandate

(Resolution 9)

- (a) That for the purposes of sections 76C and 76E of the Act and such other laws and regulations as may for the time being be applicable, the directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchases (each an "**On-Market Share Purchase**") transacted on the SGX-ST through the SGX-ST's ready market trading system or, as the case may be, any stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (each an "**Off-Market Share Purchase**") (if affected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Mainboard Rules;
- (the "**Share Buy-Back Mandate**");
- (b) any Shares that are purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
- (i) the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the buy-back of the Shares are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;
- (d) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded immediately preceding the date of making the On-Market Share Purchase by the Company or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) days period and the day on which the purchases were made;

NOTICE OF ANNUAL GENERAL MEETING

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Price” in relation to a Share to be purchased, means an amount per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; or
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price;

in either case, excluding related expenses of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate;

“Prescribed Limit” means 10% of the total number of Shares as at the date of passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the issued ordinary share capital of the Company as altered (excluding any subsidiary holdings and treasury shares that may be held by the Company from time to time); and

“Relevant Period” means the period commencing from the date on which this resolution is passed and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier; and

- (e) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated by this resolution.

[see Explanatory Note (vi)]

OTHER BUSINESS

- 10. To transact any other ordinary business which may be properly be transacted at an annual general meeting.

ON BEHALF OF THE BOARD

Dr Ng Chin Siau
Group Chief Executive Officer

9 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolution 3

Subject to her re-election, Prof Toh Chooi Gait will remain as an Independent Non-Executive Director, the Chairman of the Nominating and Remuneration Committees and member of Audit Committee. She is considered independent for the purpose of rule 704(8) of the Mainboard Rules.

Detailed information on Prof Toh Chooi Gait can be found in the **"Board of Directors"**, **"Directors' Statement"** and **"Report on Corporate Governance"** sections of the Company's Annual Report 2022.

(ii) Ordinary Resolution 4

Subject to his re-election, Mr Narayanan Sreenivasan will remain as the Independent Chairman of the Board of Directors and member of Audit, Nominating and Remuneration Committees. He is considered independent for the purpose of rule 704(8) of the Mainboard Rules.

Detailed information on Mr Narayanan Sreenivasan can be found in the **"Board of Directors"**, **"Directors' Statement"** and **"Report on Corporate Governance"** sections of the Company's Annual Report 2022.

(iii) Ordinary Resolution 5

Subject to his re-election, Dr Ng Chin Siau will remain as a Non-Independent Executive Director of the Company and the Group Chief Executive Officer.

Detailed information on Dr Ng Chin Siau can be found in the **"Board of Directors"**, **"Directors' Statement"** and **"Report on Corporate Governance"** sections of the Company's Annual Report 2022.

(iv) Ordinary Resolution 6

Subject to his re-election, Mr Tan Teck Koon will remain as an Independent Non-Executive Director. He is considered independent for the purpose of rule 704(8) of the Mainboard Rules.

Detailed information on Mr Tan Teck Koon can be found in the **"Board of Directors"**, **"Directors' Statement"** and **"Report on Corporate Governance"** sections of the Company's Annual Report 2022.

(v) Ordinary Resolution 8

The ordinary resolution 8 proposed above, if passed, will empower the directors of the Company, effective until conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue and allot Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this resolution, for such purposes as the directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be issued and allotted would not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holding) at the time of passing of this resolution. For issue of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) other than on a pro-rata basis to all shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holding) at the time of passing of this resolution.

(vi) Ordinary Resolution 9

The ordinary resolution 9 proposed above, if passed, will renew the Share Buy-Back Mandate authorising the directors of the Company to buy back shares of the Company by way of on-market purchase(s) and/or off-market purchase(s) according to the rules and regulations prescribed by the Act and the Mainboard Rules. Further details are set out in the attached circular to shareholders dated 9 April 2023 in relation to the Proposed Renewal of the Share Buy-Back Mandate.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. The AGM will be held in a wholly physical format, at 2 Clementi Loop, #03-02 Logis Hub @ Clementi, Singapore 129809 on Monday, 24 April 2023 at 2.30 p.m. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice of AGM, proxy form and Annual Report 2022 will NOT be sent to shareholders of the Company. Instead, these documents will be made available on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://qandm-dental.listedcompany.com>.
2. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.

Voting by proxy

3. A shareholder who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/ her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. A proxy need not to be a shareholder of the Company.
5. A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
6. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a shareholder (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
8. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be:
 - (a) deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02 Singapore 068898; or
 - (b) emailed to: sg.is.proxy@sg.tricorglobal.com,by **2.30 p.m. on Saturday, 22 April 2023**, being not less than forty-eight (48) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.
9. The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.
10. (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

NOTICE OF ANNUAL GENERAL MEETING

- (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

11. For CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. **by 2.30 p.m. on Thursday, 13 April 2023**.
12. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions in advance of the AGM

13. Shareholders who have any questions in relation to any agenda item of this notice, may send their queries to the Company in advance, by **Monday, 17 April 2023**, via email to agm@qnm.sg or post to 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809.
14. The Company will endeavour to address all substantial and relevant questions received from Shareholders and will upload the responses on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://qandm-dental.listedcompany.com/> at least 48 hours prior to the closing date and time for the lodgement of the proxy forms.
15. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://qandm-dental.listedcompany.com/> and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

Annual Report and other documents

The Company's Annual Report 2022 and the Letter to Shareholders dated 9 April 2023 (in relation to the proposed renewal of the share buy-back mandate) have been published and may be accessed from the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://qandm-dental.listedcompany.com/>. No printed copy will be sent to shareholders.

Personal Data Privacy:

By submitting a proxy form appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Q & M DENTAL GROUP (SINGAPORE) LIMITED(Registration No.: 200800507R)
(Incorporated in the Republic of Singapore)**ANNUAL GENERAL MEETING****PROXY FORM****IMPORTANT:**

1. This form of proxy has been made available on the SGXNet and the Company's website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://qandm-dental.listedcompany.com/>. A printed copy of this proxy form will NOT be despatched to shareholders.
2. Relevant intermediaries (as defined in Section 181(6) of the Singapore Companies Act 1967) may appoint more than two (2) proxies to attend, speak and vote at the annual general meeting ("AGM").
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold the Company's shares through CPF agent banks or SRS operators. CPF/SRS investors should contact their respective CPF agent banks or SRS operators if they have any queries regarding appointment of their proxies.
4. CPF or SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the AGM i.e. by 2.30 p.m. on Thursday, 13 April 2023.

*I/We _____ (Name) _____ (NRIC/Passport/Co. Registration No.)

of _____ (Address)

being * a shareholder/shareholders of Q & M Dental Group (Singapore) Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the AGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at 2 Clementi Loop, #03-02 Logis Hub @ Clementi, Singapore 129809 on Monday, 24 April 2023 at 2.30 p.m. and/or at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

(# Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions	For#	Against#	Abstain#
ORDINARY BUSINESS				
1.	Adoption of directors' statement and audited financial statements			
2.	Approval of the sum of S\$268,333/- to be paid to all independent directors as directors' fees for the financial year ended 31 December 2022 [2021: S\$246,000/-]			
3.	Re-election of Prof Toh Chooi Gait as director			
4.	Re-election of Mr Narayanan Sreenivasan as director			
5.	Re-election of Dr Ng Chin Siau as director			
6.	Re-election of Mr Tan Teck Koon as director			
7.	Re-appointment of Messrs RSM Chio Lim LLP as auditors and to authorise the directors to fix their remuneration			
SPECIAL BUSINESS				
8.	Authority to directors to issue and allot shares			
9.	Approval for renewal of Share Buy-Back Mandate			

* Delete accordingly

Dated this _____ day of _____ 2023.

Total No. of Shares held in	
CDP Register	
Register of Members	

Signature(s) of shareholders(s)/Common Seal

IMPORTANT: Please Read Notes for this Proxy Form

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
4. The instrument appointing the proxy or proxies, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be:
 - (a) deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02 Singapore 068898; or
 - (b) emailed to: sg.is.proxy@sg.tricorglobal.com,

by 2.30 p.m. on Saturday, 22 April 2023, being not less than forty-eight (48) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

5.
 - (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
 - (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act 1967.

6. For CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. by 2.30 p.m. on Thursday, 13 April 2023.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting a proxy form appointing proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the notice of AGM dated 9 April 2023.

DIRECTORY OF Q & M'S OUTLETS IN SINGAPORE

Q & M DENTAL CLINICS

CENTRAL

Aesthetic Dental Surgery	6333 3233
Alexandra Road	6016 1008
Bugis	6837 2292
Chinatown Point	6902 8608
City Square Mall	6509 1133
Foo & Associates Dental Surgeons (Paragon)	6838 0903
Geylang	6741 2071
Great World	6734 0603
Havelock Road	6694 5271
Horizon Dental Surgery	6733 5388
Killiney	6235 1638
Kim Tian	6979 7668
Lee & Lee (Dental Surgeons):	
Ocean Financial Centre	6536 6113
Orchard Central	6732 2633, 6235 6496
Novena Square	6251 3233, 6258 2623
River Valley	6235 4261
Specialist Oral Surgeons	6397 6638, 6235 3688
TP Dental Surgeons	6737 9011

NORTH

Admiralty	6365 3903
Ang Mo Kio	6554 3363
Ang Mo Kio Street 31	6012 8336
Balestier	6996 5816
Bishan	6255 5228
Braddell	6358 1098
Canberra	6518 3115
Khatib (Wisteria Mall)	6339 0994
Khatib	6852 3363
Marsiling	6365 6500
Mayflower	6261 2563
Sembawang MRT	6752 3093
Sembawang Shopping Centre	6012 9083
Sembawang Way	6235 2782
Toa Payoh Central	6256 3633
Toa Payoh	6252 9047
Toa Payoh Lorong 1	6990 1822
Woodlands Square	6970 6871
Woodlands	6369 0047
Yishun Central (Northpoint)	6257 1548
Yishun Central	6851 6789

NORTH-EAST

Bright Smile (Buangkok MRT)	6242 9132
Buangkok MRT	6315 6882
Hougang (The Midtown)	6386 2339
Hougang Central	6386 2663
Hougang Mall	6282 5500
Kovan	6246 3956
Potong Pasir (The Poiz Centre)	6968 5131
Punggol Edgefield Plains	6584 0478
Seletar Mall	6702 3738
Sengkang	6247 6178
Serangoon Central (NEX)	6509 8858
Serangoon Central	6343 0398, 6383 1763
Serangoon North	6282 8597
Towner Road	6299 8980

EAST

Aljunied	6748 7730
Bedok Central	6876 0533
Bedok Mall	6384 6288
Bedok Reservoir	6980 3902
Elias Mall	6584 8793
Eunos MRT	6749 8518
Ho Dental Surgery	6442 1956
Kallang	6547 1833
Lee & Lee (Dental Surgeons):	
Tampines Central	6788 2262
Marine Parade Central	6346 1882
New Upper Changi	6990 4018
Old Airport Road	6447 9033
Pasir Ris Central (Whitesands)	6583 0298
Paya Lebar Quarter	6968 7802
Simei MRT	6741 6819
Tampines 1	6588 3233
Tampines Century Square	6260 2720
Tampines Hub	6241 5081
Tampines St 41	6783 0250
Tampines Street 11	6781 0309
Tanjong Katong (Kinex)	6241 6562

SOUTH

Bright Smile (Jalan Membina)	6274 6800
Funan	6979 9296
Redhill MRT	6272 4858
Tiong Bahru	6270 8168
Tiong Bahru Dental Surgery	6271 3083

WEST

Boon Lay MRT	6791 3323
Boon Lay	6990 2308
British Dental Surgery	6765 3323
Bt. Batok	6665 4233
Bt. Batok Central	6569 3239
Bt. Batok West	6979 7786
Bt. Gombak	6569 3120
Bt. Gombak MRT	6562 1161
Bt. Panjang	6766 3363
Bt. Timah	6466 3393
Clementi Central	6872 3633, 6778 2768
Clementi West	6261 1752
Holland Village MRT	6892 3913
IMM	6980 3999
Jelapang	6891 2668
Jurong East Central (JEM)	6425 0398
Jurong West	6792 1811
Jurong West Street 51	6012 3238
Jurong Yu Hua	6980 3868
Keat Hong	6979 3318
Lee & Lee (Dental Surgeons):	
Bt. Batok	6563 2262
Lot 1	6012 9338
Toh Yi	6762 7660
Yew Tee Point	6794 5263

Q & M MEDICAL CLINICS

Buangkok MRT	6242 9133	Serangoon Central	6488 2336
Bukit Batok	6565 3866	Tampines Central	6781 3323
City Square Mall	6509 9558		



Q & M Dental Group (Singapore) Limited

(Incorporated in the Republic of Singapore on 7 January 2008)
(Unique Entity Number 200800507R)

2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809
Tel: 6705 9888 | Fax: 6778 6781

www.QandMDental.com.sg
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www.QandMChina.com
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