



Q & M DENTAL GROUP (SINGAPORE) LIMITED
 (Company Registration Number 200800507R)
 (Incorporated in the Republic of Singapore)

ANNOUNCEMENT

**RESPONSES TO QUESTIONS RECEIVED FOR THE ANNUAL GENERAL MEETING TO
 BE HELD ON 24 APRIL 2023**

There were no questions from shareholders as at 17 April 2023. Please refer to the questions received from Securities Investors Association (Singapore). The Company's responses are as follows:

Question	Response																														
<p>Q1. As at the end of the financial year 31 December 2022, the group has expanded its network by 16 to 107 dental clinics in Singapore and 44 dental clinics in Malaysia. The total number of clinics in the group stands at 157.</p> <p>(Adapted from company annual report)</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31 Dec 2022</th> <th>As at 31 Dec 2021</th> <th colspan="2">Variance Net Growth Last 12 months</th> </tr> </thead> <tbody> <tr> <td>Singapore-Dental</td> <td align="center">107</td> <td align="center">97</td> <td align="center">+10 Dental Clinics</td> <td align="center">+10%</td> </tr> <tr> <td>Singapore-Medical</td> <td align="center">5</td> <td align="center">5</td> <td align="center">-</td> <td align="center">-</td> </tr> <tr> <td>Malaysia</td> <td align="center">44</td> <td align="center">38</td> <td align="center">+6 Dental Clinics</td> <td align="center">+16%</td> </tr> <tr> <td>China PRC</td> <td align="center">1</td> <td align="center">1</td> <td align="center">-</td> <td align="center">-</td> </tr> <tr> <td>TOTAL</td> <td align="center">157</td> <td align="center">141</td> <td></td> <td></td> </tr> </tbody> </table> <p><small>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.</small></p> <p><small>MY new Clinics - Bandar Sri Damansara, Selayang, Segamat, Bahru, Cheras Selatan, Rawang.</small></p> <p>(i) Did the COVID-19 pandemic cause the group to delay opening new clinics, and how does management plan to optimise the growth rate in the future?</p> <p>(ii) Can management also discuss how it sees improving the utilisation of existing clinics versus opening new clinics? Would it be more cost-effective to focus on improving clinic utilisation rates instead of opening new clinics, which can be capital intensive?</p> <p>(iii) What are the terms of the tender for the operation of the Joint Testing and Vaccination Centre ("JTVC")? Would the group's revenue be based on the actual number of vaccinations administered?</p>		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			<p>(i) The Covid-19 pandemic did not cause the group to delay opening new clinics. The increasingly tight labour market is the main limiting factor.</p> <p>We plan to optimise our growth rate by implementing several strategies, including:</p> <ol style="list-style-type: none"> Improving utilisation of the existing capacity through improved use of 2nd and 3rd dental chairs in existing clinics where appropriate. This includes recruiting and retaining top talent in the dental industry, and bringing in new patients through targeted marketing. Investing in technology: We plan to invest in technology that enhances our patients' experience and overall care, for example using Artificial Intelligence in treatment plans. These technologies will enable us to provide better and more efficient care, thereby increasing the moat between our Group and others. Increase our dentists' service
	As at 31 Dec 2022	As at 31 Dec 2021	Variance Net Growth Last 12 months																												
Singapore-Dental	107	97	+10 Dental Clinics	+10%																											
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<p>(iv) Could management provide more information about Q & M College? Does completion of the 6 modules offered by the college still lead to a graduate diploma? Is the graduate diploma nationally or internationally recognised? Is Q & M College open to dentists outside the group and outside of Singapore?</p> <p>(v) Could the board explain the rationale behind the group's direct investment in artificial intelligence ("AI")? Does investing in AI development initiatives signify a potential deviation from the group's core competencies, as opposed to merely integrating AI applications into the organisation's existing operations?</p>	<p>offerings through upskilling of dentists at Q & M College of Dentistry. This helps to equip our dentists with the necessary skill sets to cater to a wider range of patients and their various dental healthcare needs.</p> <p>(ii) It is more cost-effective to focus on improving clinic utilisation rates instead of opening new clinics. However, we will open new clinics at good locations where opportunities arise. Our goal is to strike a balance between opening new clinics and optimising the utilisation of our existing ones, to achieve sustainable growth and deliver value to our patients and shareholders.</p> <p>(iii) Monthly base fee for vaccination is SGD200,000 while monthly base fee for swabbing is SGD75,300. The contract is valid until 31 December 2023 and it is subject to renewal. Revenue from JTVC is based on monthly base fee unless there is a revised tasking order given by Ministry of Health.</p> <p>(iv) Q & M College of Dentistry is a registered Private Education Institution (PEI) under the Enhanced Registration Framework (ERF) by the Committee of Private Education (CPE). Please refer to our website for more information about Q & M College. The completion of the 6 modules lead to a graduate diploma awarded by Q & M College, and is recognized locally. International recognition depends on individual country's regulations. Q & M College is open to dentists outside the group.</p> <p>(v) Q & M chose a direct investment in AI There is no AI-driven dental solution that assist dentists in the process of making diagnosis and patient treatment plans through its</p>
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proprietary Artificial Intelligence Guided Ethical Clinical Decision Support System (GECDDSS).

Investing in AI development initiatives does not signify a deviation from our core competencies. In fact, AI applications actually help us to enhance and expand our core competencies.

AI technology has the potential to revolutionise the healthcare industry, including dentistry, by enabling faster and more accurate diagnoses, improving patient outcomes, and enhancing the overall patient experience.

Moreover, investing in AI development initiatives can help us to stay ahead of the competition and remain relevant in a rapidly evolving healthcare landscape. As the use of AI becomes more widespread in healthcare, organisations that fail to adopt this technology risk falling behind.

However, it is essential to ensure that any AI initiatives align with our core competencies and support our overall business objectives. We carefully evaluate the potential benefits and costs of any AI development initiative and ensure that it complements our existing operations rather than detracting from them.

<p>Q2. On 8 April 2023, the company announced that there are material variances between the unaudited financial statements and the audited financial statements for the financial year ended 31 December 2022 following the finalisation of audit.</p> <p>The announcement on the unaudited financial results was first released via SGXNet on 1 March 2023. Following the finalisation of audit, the carrying amount of the company's cost of investment in Aoxin Q & M was reduced to its recoverable amount through a recognition of impairment loss of \$7,471,000 against the cost of investment.</p> <p>(i) Can the audit committee (“AC”) provide further clarification to shareholders regarding the factors that contributed to the oversight?</p> <p>(ii) Before the finalisation of audit, did the AC discuss or consider the carrying value of the company's investments?</p> <p>The current accounting standards require an impairment assessment to be performed when there are indications of impairment.</p> <p>(iii) Does the AC have a register of the major indicators of impairments? If so, what are they?</p>	<p>It was not an oversight. The results in the announcement was unaudited. Significant decrease in Aoxin Q & M's share price in February 2023 triggered an impairment assessment to be performed for the carrying value of the investment in Aoxin Q & M, and a valuer was engaged. After the completion of the impairment assessment and audit, there is audit adjustment. Hence, an announcement was necessary. This is the normal protocol of a listed company.</p>
<p>Q3. As disclosed in the corporate governance report, the long-tenured independent directors, namely Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry and Prof Toh Chooi Gait, will 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.</p> <p>The directors were appointed on 14 October 2009, 14 October 2009 and 25 June 2013 respectively.</p> <p>The need for transitional arrangements arose because Singapore Exchange Regulation (SGX RegCo) has recently, in January 2023, imposed a limit on the tenure of independent directors (IDs) who have served on the boards of listed issuers to nine years¹. This stemmed from recommendations</p>	<p>(i) Annually, the NC reviews the competency of the directors. The Company has the best mix and diversity of directors, to function as an effective board. To-date, no gap in skill or competencies have been identified.</p> <p>(ii) The ideal important criteria, not in priority, for the chairman are:</p> <ul style="list-style-type: none"> - Relevant core competency - Industry knowledge - Integrity - Strategic thinking - Good communication skill - Listed company experience - Analytical - Visionary - Stature

<p>by the Corporate Governance Advisory Committee (CGAC). There was broad market support for this change during the public consultation carried out by SGX RegCo.</p> <p>Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.</p> <p>(i) Has the nominating committee (“NC”) reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?</p> <p>(ii) What criteria has the NC established to identify and select a new board chairman?</p> <p>(iii) Would the concurrent cessation of three independent directors potentially disrupt the board's functioning? What steps will the board/NC take to ensure continuity, stability, and board renewal?</p> <p>(iv) Separately, can the NC elaborate further on the board evaluation process? What are the key findings from the most recent board evaluation?</p>	<p>(iii) No disruption is expected. Currently, the Company is seriously looking for replacement, casting the net wide to yield the best catch. Every effort will be put in to create a new functional and effective board.</p> <p>(iv) The evaluation process is the standard process used by any listed company. As stated above, we have the best mix and diversity of an effective board.</p>
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By Order of the Board
Q & M Dental Group (Singapore) Limited

Ng Sook Hwa
Chief Financial Officer
19 April 2023

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