



**Condensed Financial Statement And Dividend Announcement For The First Half Ended 30 June 2023 (“1H23”)**

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

	Note	Group		
		Year-To-Date		
		30/06/2023 \$'000	30/06/2022 \$'000	Change %
<b>Revenue</b>				
Dental and Medical Clinics		78,872	78,496	-
Medical Laboratory and Dental Equipment & Supplies		8,273	12,414	(33)
<b>Total Revenue</b>	3	<b>87,145</b>	<b>90,910</b>	(4)
<b>Other Items of Income</b>				
Interest Income		9	9	-
<b>Other Items of Expense</b>				
Consumables and Supplies Used in Dental & Medical Clinics		(6,622)	(6,651)	-
Cost of Sales - Medical Laboratory and Dental Equipment & Supplies		(3,970)	(6,084)	(35)
Employee Benefits Expense		(51,939)	(50,358)	3
Depreciation and Amortisation Expense		(2,426)	(2,305)	5
Depreciation of Right-Of-Use Assets		(6,459)	(5,979)	8
Other Expenses		(5,858)	(5,399)	9
Finance Costs	5	(2,781)	(1,531)	82
Other Losses	4	(76)	(47)	62
Share of Loss from Equity-Accounted Associate		(203)	(500)	(59)
<b>Profit Before Tax from Continuing Operations</b>		<b>6,820</b>	<b>12,065</b>	(43)
Income Tax Expense	6	(1,107)	(1,524)	(27)
<b>Profit From Continuing Operations, Net of Tax</b>		<b>5,713</b>	<b>10,541</b>	(46)
<b>Other Comprehensive Loss:</b>				
Exchange Differences on Translating Foreign Operations, Net of Tax		(993)	(674)	47
<b>Other Comprehensive Loss for the Period, Net of Tax</b>		<b>(993)</b>	<b>(674)</b>	47
<b>Total Comprehensive Income for the Period</b>		<b>4,720</b>	<b>9,867</b>	(52)
<b>Profit Attributable to:</b>				
Owners of the Parent, Net of Tax		5,334	9,849	(46)
Non-Controlling Interests, Net of Tax		379	692	(45)
<b>Profit, Net of Tax</b>		<b>5,713</b>	<b>10,541</b>	(46)
<b>Total Comprehensive Income Attributable to:</b>				
Owners of the Parent		4,420	9,203	(52)
Non-Controlling Interests		300	664	(55)
<b>Total Comprehensive Income</b>		<b>4,720</b>	<b>9,867</b>	(52)

NM: Not Meaningful



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

	Note	Group		
		Year-To-Date		
		30/06/2023 \$'000	30/06/2022 \$'000	Change %
<b>EBITDA</b>		18,477	21,871	(16)
<b>Earnings Per Share</b>				
Base on the Weighted Average Number of Ordinary <sup>(a)</sup>				
Shares on Issue – Cents		0.56	1.05	
Fully Diluted Basis – Cents		0.56	1.05	

- (a) The basic EPS for the period ended 30 June 2023 and 30 June 2022 are based on the profit attributable to equity holders of parent, net of tax and weighted average number of ordinary shares of 946,442,940 and 939,442,940 shares respectively.

	Note	Group		
		Year-To-Date		
		30/06/2023 \$'000	30/06/2022 \$'000	Change %
<b>Core Healthcare Business<sup>(b)</sup>:</b>				
Revenue		83,309	83,729	(1)
PATMI <sup>(c)</sup>		5,976	9,411	(36)
EBITDA		18,162	20,330	(11)

- (b) Core Healthcare Business excludes contributions from the Group's medical laboratory, other gains, other losses and expenses incurred on the development of the Group's digital Artificial Intelligence (AI) guided clinical decision support system as well as rental rebates received from the Singapore Government.
- (c) PATMI refers to profit after tax and minority interest (aka Profit attributable to owners of the parent).



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

	Note	Group		Company	
		As at		As at	
		30/06/2023	31/12/2022	30/06/2023	31/12/2022
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	8	37,579	36,929	1,070	989
Right-Of-Use Assets		48,491	52,589	1,770	1,582
Investment in Subsidiaries		-	-	61,438	61,438
Investment in Associates	9	24,472	25,191	25,912	25,912
Goodwill	10	56,576	56,582	-	-
Other Intangible Assets	11	4,691	4,604	-	-
Other Receivables		2,259	2,174	1,727	1,835
Other Assets		8,637	7,540	4,106	4,163
<b>Total Non-Current Assets</b>		<b>182,705</b>	<b>185,609</b>	<b>96,023</b>	<b>95,919</b>
<b>Current Assets</b>					
Inventories		11,648	11,091	-	-
Trade and Other Receivables		28,188	26,970	86,745	88,517
Other Assets		3,877	4,044	1,591	1,538
Cash and Cash Equivalents		33,422	39,698	2,651	5,834
<b>Total Current Assets</b>		<b>77,135</b>	<b>81,803</b>	<b>90,987</b>	<b>95,889</b>
<b>Total Assets</b>		<b>259,840</b>	<b>267,412</b>	<b>187,010</b>	<b>191,808</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owners of the Parent</b>					
Share Capital	12	86,758	86,758	86,758	86,758
Treasury Shares	12	(11,535)	(11,535)	(11,535)	(11,535)
Retained Earnings		23,818	24,163	1,844	6,531
Other Reserves, Total		(3,810)	(2,896)	-	-
<b>Equity Attributable to Owners of the Parent, Total</b>		<b>95,231</b>	<b>96,490</b>	<b>77,067</b>	<b>81,754</b>
Non-Controlling Interests		6,058	5,758	-	-
<b>Total Equity</b>		<b>101,289</b>	<b>102,248</b>	<b>77,067</b>	<b>81,754</b>
<b>Non-Current Liabilities</b>					
Provisions		776	767	-	-
Deferred Tax Liabilities		1,876	1,926	-	-
Lease Liabilities Arising from Right-Of-Use Assets		41,443	45,220	1,587	1,427
Other Financial Liabilities	13	83,366	84,577	79,511	80,620
<b>Total Non-Current Liabilities</b>		<b>127,461</b>	<b>132,490</b>	<b>81,098</b>	<b>82,047</b>
<b>Current Liabilities</b>					
Income Tax Payable		2,048	2,273	-	-
Trade and Other Payables		17,814	19,381	28,357	27,560
Lease Liabilities Arising from Right-Of-Use Assets		10,387	10,547	243	201
Other Financial Liabilities	13	841	473	245	246
<b>Total Current Liabilities</b>		<b>31,090</b>	<b>32,674</b>	<b>28,845</b>	<b>28,007</b>
<b>Total Liabilities</b>		<b>158,551</b>	<b>165,164</b>	<b>109,943</b>	<b>110,054</b>
<b>Total Equity and Liabilities</b>		<b>259,840</b>	<b>267,412</b>	<b>187,010</b>	<b>191,808</b>



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

	Group	
	Year-To-Date	
	30/06/2023	30/06/2022
	\$'000	\$'000
<b><u>Cash Flows From Operating Activities</u></b>		
Profit Before Tax	6,820	12,065
Adjustments for:		
Interest Income	(9)	(9)
Interest Expense	2,781	1,531
Gain on Disposal of Plant and Equipment	-	(24)
Plant and Equipment Written Off	69	33
Impairment allowance on plant and equipment - reversal	(13)	-
Share of Loss from Equity – Associated Associates	203	500
Depreciation of Property, Plant and Equipment and Amortisation Expense	2,426	2,305
Depreciation of Right-Of-Use Assets	6,459	5,979
Foreign Currency Translation Reserve	(268)	(159)
<b>Operating Cash Flows Before Changes in Working Capital</b>	<b>18,468</b>	<b>22,221</b>
Inventories	(557)	84
Trade and Other Receivables	(1,105)	4,176
Other non-financial assets	296	(68)
Trade and Other Payables	(1,567)	(5,615)
Provision	9	-
Net Cash Flows From Operating Activities Before Interest and Tax	<b>15,544</b>	<b>20,798</b>
Income Taxes Paid	(1,380)	(3,409)
<b>Net Cash Flows From Operating Activities</b>	<b>14,164</b>	<b>17,389</b>
<b><u>Cash Flows Used in Investing Activities</u></b>		
Purchase of Property Plant and Equipment	(3,152)	(5,901)
Purchase of Intangible Assets	(381)	(603)
Disposal of Plant and Equipment	108	148
Other non-financial assets	(1,225)	116
Trade and Other Receivables	(113)	(449)
Other Receivables, Non-Current	(85)	236
Interest Received	9	9
<b>Net Cash Flows Used in Investing Activities</b>	<b>(4,839)</b>	<b>(6,444)</b>
<b><u>Cash Flows Used in Financing Activities</u></b>		
Lease Liabilities – Principal Portion Paid	(6,298)	(5,608)
Lease Liabilities – Interest Paid	(843)	(876)
Finance Lease Repayment	(29)	(23)
Repayment of Bank Loans	(1,181)	(222)
Proceeds from Term Loan	-	2,400
Bill Payables	367	(160)
Interest Paid	(1,938)	(655)
Dividends Paid to Non-Controlling Interest*	-	(5,012)
Dividends Paid to Equity Owners	(5,679)	(13,152)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(15,601)</b>	<b>(23,308)</b>



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

	Group	
	Year-To-Date	
	30/06/2023	30/06/2022
	\$'000	\$'000
<b>Net Decrease in Cash and Cash Equivalents</b>	(6,276)	(12,363)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	39,698	47,611
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period</b>	<b>33,422</b>	<b>35,248</b>
<b>Cash and Cash Equivalents at End of Period includes the following:</b>		
Cash and Bank Balances	33,422	35,248
<b>Cash and Cash Equivalents at End of Period</b>	<b>33,422</b>	<b>35,248</b>

\* Mainly the payment of accrued dividends to Aoxin Q&M, an associate of the Group and the 49% owner of Acumen Diagnostics Pte. Ltd. of which the Group has 51% ownership.



**1(d)(i) Condensed Interim Statements of Changes in Equity**

	<u>Total Equity</u>	<u>Attributable to Parent Sub-Total</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Treasury Shares</u>	<u>Other Reserves</u>	<u>Non-Controlling Interest</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group - Current Period</b>							
Opening Balance at 1 January 2023	102,248	96,490	86,758	24,163	(11,535)	(2,896)	5,758
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Period	4,720	4,420	-	5,334	-	(914)	300
Dividends Paid (Note 7)	(5,679)	(5,679)	-	(5,679)	-	-	-
Closing Balance at 30 June 2023	101,289	95,231	86,758	23,818	(11,535)	(3,810)	6,058
<b>Group - Previous Period</b>							
Opening Balance at 1 January 2022	103,246	97,849	86,758	26,006	(13,950)	(965)	5,397
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Period	9,867	9,203	-	9,849	-	(646)	664
Dividends Paid to Non-Controlling Interest	(112)	-	-	-	-	-	(112)
Dividends Paid (Note 7)	(13,152)	(13,152)	-	(13,152)	-	-	-
Closing Balance at 30 June 2022	99,849	93,900	86,758	22,703	(13,950)	(1,611)	5,949



**1(d)(ii) Condensed Interim Statements of Changes in Equity**

	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Other Reserve</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company - Current Period</b>					
Opening Balance at 1 January 2023	81,754	86,758	(11,535)	-	6,531
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Period	992	-	-	-	992
Dividends Paid (Note 7)	(5,679)	-	-	-	(5,679)
Closing Balance at 30 June 2023	<u>77,067</u>	<u>86,758</u>	<u>(11,535)</u>	<u>-</u>	<u>1,844</u>
<b>Company - Previous Period</b>					
Opening Balance at 1 January 2022	84,769	86,758	(13,950)	-	11,961
<b>Movements in Equity:</b>					
Total Comprehensive Income for the Period	5,143	-	-	-	5,143
Dividends Paid (Note 7)	(13,152)	-	-	-	(13,152)
Closing Balance at 30 June 2022	<u>76,760</u>	<u>86,758</u>	<u>(13,950)</u>	<u>-</u>	<u>3,952</u>



**1(e) Notes to the Condensed Interim Financial Statements**  
**30 June 2023**

**1. General**

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company (referred to as “parent”) and the subsidiaries. The registered office is: 2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809. The Company is situated in Singapore.

The board of directors approved and authorised these condensed financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are the provision of management and consultancy services and investment holding. It is listed on the Singapore Exchange Securities Trading Limited, (“SGX-ST”).

The principal activities of the Group are disclosed in Note 2 on segment information.

The financial information contained in this announcement has neither been audited nor review by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**Basis of presentation**

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 31 December 2022. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the group since the latest audited annual financial statements.

**New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.





### **Critical judgements, assumptions and estimation uncertainties**

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclose with further details in the relevant Notes to these condensed consolidated interim financial statements.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

## **2. Financial information by operating segments**

### **2A. Information about reportable segment profit or loss, assets and liabilities**

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

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



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

**2B. Profit or loss for the 6 months ended 30 June from continuing operations and reconciliations**

	<u>Primary Healthcare</u>		<u>Medical Laboratory and Dental Equipment &amp; Supplies</u>		<u>Unallocated – Investment in Associates</u>		<u>Consolidated</u>	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue by segment	78,872	79,195	10,792	15,455	-	-	89,664	94,650
Inter-segment sales	-	(699)	(2,519)	(3,041)	-	-	(2,519)	(3,740)
<b>Total revenue</b>	<b>78,872</b>	<b>78,496</b>	<b>8,273</b>	<b>12,414</b>	<b>-</b>	<b>-</b>	<b>87,145</b>	<b>90,910</b>
Segment results	17,292	19,116	1,397	3,264	(203)	(500)	18,486	21,880
Finance costs							(2,781)	(1,531)
Depreciation of plant and equipment							(2,132)	(2,073)
Depreciation right-of-use assets							(6,459)	(5,979)
Amortisation of intangible assets							(294)	(232)
Profit before income tax							6,820	12,065
Income tax expense							(1,107)	(1,524)
<b>Profit, net of tax</b>							<b>5,713</b>	<b>10,541</b>
<b>Expenditure for non-current assets</b>								
Property, plant and equipment	(3,011)	(5,824)	(141)	(77)	-	-	(3,152)	(5,901)
<b>Other material non-cash items</b>								
Depreciation of plant and equipment	(1,869)	(1,714)	(263)	(359)	-	-	(2,132)	(2,073)
Depreciation right-of-use assets	(6,320)	(5,840)	(139)	(139)	-	-	(6,459)	(5,979)
Amortisation of intangible assets	(255)	(191)	(39)	(41)	-	-	(294)	(232)
Finance costs	(2,766)	(1,513)	(15)	(18)	-	-	(2,781)	(1,531)
Allowance on plant and equipment	13	-	-	-	-	-	13	-
Allowance on inventories	-	-	-	(15)	-	-	-	(15)
Allowance on trade receivables	-	-	-	(11)	-	-	-	(11)



**2C. Assets and reconciliation**

	As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
<u>Segment assets</u>		
Primary healthcare	207,910	215,397
Medical laboratory and dental equipment and supplies	27,457	26,824
Unallocated – investment in associates	24,473	25,191
Total	<u>259,840</u>	<u>267,412</u>

**2D. Liabilities and reconciliation**

	As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
<u>Segment liabilities</u>		
Primary healthcare	155,002	160,311
Medical laboratory and dental equipment and supplies	3,549	4,853
Total	<u>158,551</u>	<u>165,164</u>

**2E. Geographical information**

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

	6 months ended 30 Jun	
	<u>2023</u> \$'000	<u>2022</u> \$'000
<u>Revenue</u>		
Singapore	81,694	84,445
Malaysia	5,282	6,137
China	169	328
Total	<u>87,145</u>	<u>90,910</u>

	As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
<u>Non-current assets</u>		
Singapore	153,455	155,108
Malaysia	4,628	5,138
China	24,622	25,363
Total	<u>182,705</u>	<u>185,609</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.



### 3. Revenue

	6 months ended 30 Jun	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Dental, medical and medical laboratory testing services	80,751	83,390
Sales of goods	4,398	5,197
Profit guarantee income	1,495	1,873
Rental income	248	217
Other income	253	233
Total revenue	<u>87,145</u>	<u>90,910</u>

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

	6 months ended 30 Jun	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Gain on disposal of plant and equipment	-	24
Plant and equipment written off	(69)	(33)
Foreign exchange translation loss	(20)	(12)
Impairment allowance on other receivables – loss	-	(11)
Impairment allowance on plant and equipment – reversal	13	-
Impairment allowance on inventories	-	(15)
Net	<u>(76)</u>	<u>(47)</u>

### 5. Finance costs

	6 months ended 30 Jun	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Interest on borrowings	1,938	655
Interest on lease liabilities	843	876
Total	<u>2,781</u>	<u>1,531</u>



**6. Income tax expense**

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

	6 months ended 30 Jun	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	1,003	1,400
Under adjustments in respect of prior periods	154	130
Subtotal	<u>1,157</u>	<u>1,530</u>
<u>Deferred tax (income) expense:</u>		
Deferred tax income	(19)	(21)
(Over) under adjustments in respect of prior periods	(31)	15
Subtotal	<u>(50)</u>	<u>(6)</u>
Total income tax expense	<u>1,107</u>	<u>1,524</u>

**7. Dividends on equity shares**

	Group	
	30 Jun	30 Jun
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Fourth interim tax exempt dividend paid of \$0.01 with respect of FY2021	-	9,394
First interim tax exempt dividend paid of \$0.004 with respect of 1Q2022	-	3,758
Second interim tax exempt dividend paid of \$0.006 with respect of FY2022	5,679	-
	<u>5,679</u>	<u>13,152</u>

**8. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to \$3,152,000 (30 June 2022: \$5,901,000) and disposed of assets amounting to \$69,000 (30 June 2022: \$33,000).



## 9. Investment in associates

	Group As at	
	30 Jun 2023 \$'000	31 Dec 2022 \$'000
Movements in carrying value:		
Balance at beginning of the year	25,191	27,044
Foreign currency translation adjustment	(516)	(1,316)
Share of loss for the year	(203)	(537)
	24,472	25,191

## 10. Goodwill

Goodwill that has an indefinite useful life is tested for impairment annually, or more frequently if events or changes in circumstances indicated that it might be impaired. No impairment indicators were identified as at 30 June 2023 based on the CGU's business performance.

Since the beginning of the reporting year, there were no changes in the circumstances and key assumptions.

## 11. Other intangible assets

	Development costs \$'000	Customer lists \$'000	Total \$'000
As at 31 December 2022			
Cost	3,552	3,321	6,873
Accumulated amortisation and impairment	(235)	(2,034)	(2,269)
Carrying amounts at 31 December 2022	3,317	1,287	4,604
Cost			
As at 1 January 2023	3,552	3,321	6,873
Additions	381	-	381
As at 30 June 2023	3,933	3,321	7,254
Accumulated amortisation and impairment			
As at 1 January 2023	235	2,034	2,269
Amortisation	105	189	294
As at 30 June 2023	340	2,223	2,563
Carrying amounts at 30 June 2023	3,593	1,098	4,691



## 12. Share capital

	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
Ordinary shares of no par value:		
Balance at 31 December 2022 and 30 June 2023	<u>965,865</u>	<u>86,758</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

	Number of treasury <u>shares</u> '000	<u>Cost</u> \$'000
Balance at 1 January 2022	26,422	13,950
Transfer of treasury shares at \$0.351 cents each <sup>(a)</sup>	(4,986)	(1,750)
Transfer of treasury shares at \$0.330 cents each <sup>(b)</sup>	<u>(2,014)</u>	<u>(665)</u>
Balance at 31 December 2022 and 30 June 2023	<u>19,422</u>	<u>11,535</u>

- (a) On 20 October 2022, the Company transferred 4,985,755 ordinary shares from its treasury shares to 7 key dentists of the Group for an aggregate gross cash consideration of \$1,750,000.
- (b) On 20 October 2022, the Company transferred 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.

The Company has 19,422,407 treasury shares as at 30 June 2023 (30 June 2022: 26,422,407) and there is no subsidiary holdings as at 30 June 2023 (30 June 2022: Nil).

	As at	
	30 Jun <u>2023</u> '000	31 Dec <u>2022</u> '000
Total number of issued shares excluding treasury shares	<u>946,443</u>	<u>946,443</u>

There were no sales, transfer, disposals, cancellation and/or use of treasury shares as at end of current financial year reported on.



**13. Other financial liabilities**

	Group As at		Company As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
<u>Non-current:</u>				
Bank loans	83,335	84,515	79,511	80,620
Finance leases	31	62	-	-
Non-current, total	<u>83,366</u>	<u>84,577</u>	<u>79,511</u>	<u>80,620</u>
<u>Current:</u>				
Bank loans	452	453	245	246
Finance leases	22	20	-	-
Bills payable	367	-	-	-
Current, total	<u>841</u>	<u>473</u>	<u>245</u>	<u>246</u>
Total	<u>84,207</u>	<u>85,050</u>	<u>79,756</u>	<u>80,866</u>

**13A. Bank loans**

	Group As at		Company As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
Amount repayable within one year	452	453	245	246
Amount repayable after one year	<u>83,335</u>	<u>84,515</u>	<u>79,511</u>	<u>80,620</u>

Bank loans amounting to \$9.3 million (31 December 2022: \$9.5 million) are secured by legal mortgage of the Group's properties and covered by corporate guarantee from the Company.

**13B. Finance leases**

	Group As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
Amount repayable within one year	22	20
Amount repayable after one year	<u>31</u>	<u>62</u>

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





**13. Other financial liabilities (cont'd)**

**13C. Bills payable**

	Group As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
Amount repayable within one year	<u>367</u>	<u>-</u>

The bills payable of the Group are secured or covered by the following:

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

The bills payables of the Group have maturity period of 90 days (2022: 90 days).

**14. Categories of financial assets and liabilities**

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

	Group As at		Company As at	
	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000	30 Jun <u>2023</u> \$'000	31 Dec <u>2022</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>63,869</u>	<u>68,842</u>	<u>91,123</u>	<u>96,186</u>
At end of the period	<u>63,869</u>	<u>68,842</u>	<u>91,123</u>	<u>96,186</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<u>153,851</u>	<u>160,198</u>	<u>109,943</u>	<u>110,054</u>
At end of period	<u>153,851</u>	<u>160,198</u>	<u>109,943</u>	<u>110,054</u>



**15. Net asset value**

	Group As at		Company As at	
	30 Jun <u>2023</u>	31 Dec <u>2022</u>	30 Jun <u>2023</u>	31 Dec <u>2022</u>
Net assets value per ordinary share (cents)	<u>10.1</u>	<u>10.2</u>	<u>8.1</u>	<u>8.6</u>

The net asset value per ordinary share of the Group and the Company as at 30 June 2023 has been calculated based on the total issued number of ordinary shares excluding treasury shares of 946,442,940 (2022: 946,442,940).

**16. Events after the end of the reporting period**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.



## **Other Information Required by Listing Rule 7.2**

- 1. Whether the figures have been audited or reviewed and in accordance with auditing standards or practice.**

The condensed interim consolidated financial statement and notes for the first half ended 30 June 2023 have not been reviewed / audited by the Company's auditor.

- 2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
  - a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

### **Statement of Comprehensive Income**

#### **Revenue**

As at 30 June 2023, the Group has 107 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, compared to 102 dental outlets, 5 medical outlets and 1 dental college as at 30 June 2022.

As at 30 June 2023, the Group has 44 dental outlets in Malaysia compared to 44 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") as at 30 June 2022.

As at 30 June 2023 and 30 June 2022, the Group has 1 dental equipment & supplies distribution company and a medical laboratory company in Singapore and 1 dental equipment & supplies distribution company in Malaysia.

The revenue contribution from dental and medical clinics was \$78.9 million for the first six months ended 30 June 2023 ("1H23") and at the same level for the six months ended 30 June 2022 ("1H22"). The marginal increase was mainly due to higher revenue contribution from Singapore dental clinics, offset by lower revenue contribution from our medical clinics as well as unfavourable impact of strong Singapore Dollar against Ringgit from the Group's operation in Malaysia.

The revenue contribution from medical laboratory and dental equipment & supplies decreased by 33% from \$12.4 million in 1H22 to \$8.3 million in 1H23. The decrease of \$4.1 million was mainly due to lower revenue contribution from the Group's medical laboratory business, with less demand for Covid-19 testing after the opening of the Singapore economy which no longer requiring extensive Covid-19 testing, as well as lower revenue contribution from the dental equipment & supplies companies in Singapore and Malaysia.



### **Other (Losses) Gains – Net**

Other losses increased from \$47k in 1H22 to \$76k in 1H23 mainly due to the increase in the write-off on plant and equipment.

### **Other Items of Expense**

#### Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used was \$6.6 million in 1H23 and at about the same level for 1H22.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in 1H23 was 8.4% compared to 8.5% in 1H22.

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

The cost of sales from medical laboratory and dental equipment & supplies decreased by 35% from \$6.1 million in 1H22 to \$4.0 million in 1H23. The decrease was due to the decrease in revenue of the medical laboratory business as well as decrease in revenue of the dental equipment & supplies company in Singapore and Malaysia.

As a percentage of revenue from medical laboratory and dental equipment & supplies, cost of sales used in medical laboratory and dental equipment & supplies in 1H23 was 48.0% compared to 49.0% in 1H22.

#### Employee Benefits Expense

Employee benefits expense, which include professional fees paid to dentists, increased by 3% from \$50.4 million in 1H22 to \$51.9 million in 1H23. The increase of \$1.5 million was mainly due to increase in revenue from the dental clinics in Singapore and opening of new clinics in 2H22 as well as increase in manpower cost in core healthcare business.

As a percentage of revenue, employee benefits expense in 1H23 was 59.6% compared to 55.4% in 1H22.

#### Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 5% from \$2.3 million in 1H22 to \$2.4 million in 1H23. The increase of \$0.1 million was mainly due to higher depreciation and amortisation expense from dental clinics in Singapore in 1H23.

As a percentage of revenue, depreciation and amortisation expense in 1H23 was 2.8% compared to 2.5% in 1H22.



### Depreciation of Right-Of-Use (“ROU”) Assets

Depreciation of ROU assets increased by 8% from \$6.0 million in 1H22 to \$6.5 million in 1H23. The increase was mainly due to the increase in dental clinics in Singapore and Malaysia in 1H23 as compared to 1H22.

As a percentage of revenue, depreciation of ROU assets in 1H23 was 7.4% compared to 6.6% in 1H22.

### Other Expenses

Other expenses increased by 9% from \$5.4 million in 1H22 to \$5.9 million in 1H23. The increase of \$0.5 million was mainly due to increase in repair and maintenance fees and PUB expenses in 1H23 as well as development cost incurred for the Group’s digital Artificial Intelligence (AI) guided clinical decision support system.

As a percentage of revenue, other expenses in 1H23 was 6.7% compared to 5.9% in 1H22.

### Finance Costs

Finance costs increased by 82% from \$1.5 million in 1H22 to \$2.8 million in 1H23. The increase of \$1.3 million was due to higher interest expense in 1H23 as a result of higher interest rate.

As a percentage of revenue, finance costs in 1H23 was 3.2% compared to 1.7% in 1H22

### Share of Loss from Equity-Accounted Associate

Share of loss decreased by 59% from \$0.5 million in 1H22 to \$0.2 million in 1H23. The decrease was due to lower share of loss from equity-accounted associate, Aoxin Q & M.

### **Profit Before Tax and Net Profit After Tax**

The Group’s profit before tax decreased from \$12.1 million in 1H22 to \$6.8 million in 1H23. After deducting provision for income tax expense of \$1.1 million, the Group’s net profit was \$5.7 million in 1H23.

Profit after tax attributable to owners of the parent decreased from \$10.5 million for 1H22 to \$5.7 million for 1H23.

### **Statement of Financial Position**

As at 30 June 2023, the Group has cash and cash equivalents of \$33.4 million while bank borrowings plus finance leases amounted to \$84.2 million. As at 31 December 2022, the Group has cash and cash equivalents of \$39.7 million while bank borrowings plus finance leases amounted to \$85.1 million.



### **Current Assets**

Inventory as at 30 June 2023 increased to \$11.6 million from \$11.1 million as at 31 December 2022. The increase of \$0.5 million was mainly due to an increase in inventory from the dental equipment & supplies company in Malaysia.

Trade and other receivables as at 30 June 2023 increased to \$28.2 million from \$27.0 million as at 31 December 2022. The increase of \$1.2 million was mainly due to increase in profit guarantee receivables from vendors of Aoxin Q & M Dental Group Limited, an equity-accounted associate of the Company.

Cash and cash equivalents as at 30 June 2023 decreased to \$33.4 million from \$39.7 million as at 31 December 2022. The decrease of \$6.3 million was mainly due to dividend payment of \$5.7 million, loan repayment, sign on bonuses for dentists, lease liabilities payment, dental equipment and renovations for existing clinics, offset by net cash generated from operations of \$14.2 million.

### **Non-Current Assets**

The net book value of property, plant and equipment as at 30 June 2023 increased to \$37.6 million from \$36.9 million as at 31 December 2022. The increase of \$0.7 million was mainly due to expansion of existing clinics to install more dental chairs offset by depreciation of plant and equipment.

The net book value of ROU asset as at 30 June 2023 decreased to \$48.5 million from \$52.6 million as at 31 December 2022. The decrease of \$4.1 million was due to depreciation of the ROU assets offset by renewal of ROU assets.

Investment in associates as at 30 June 2023 decreased to \$24.5 million from \$25.2 million as at 31 December 2022. The decrease of \$0.7 million due to the share of loss from Aoxin Q & M in 1H23 as well as exchange translation loss due to a weaker exchange rate from RMB against SGD.

Other assets as at 30 June 2023 increased to \$8.6 million from \$7.5 million as at 31 December 2022. The increase of \$1.1 million was due to an increase in sign on bonus for dentists offset by amortisation of sign on bonus for dentists.

### **Current Liabilities**

Trade and other payables as at 30 June 2023 decreased to \$17.8 million from \$19.4 million as at 31 December 2022. The decrease of \$1.6 million was mainly due to payment of FY22 accrued expenses in 1H23.

Other financial liabilities as at 30 June 2023 increased to \$0.8 million from \$0.5 million as at 31 December 2022. The increase of \$0.3 million was due to increase in bills payable from the dental equipment & supplies company in Malaysia.

### **Non-Current Liabilities**

Lease liabilities from ROU assets as at 30 June 2023 decreased to \$41.4 million from \$45.2 million as at 31 December 2022. The decrease of \$3.8 million was mainly due to repayment of operating lease offset by renewal of operating leases.



Other financial liabilities as at 30 June 2023 decreased to \$83.4 million from \$84.6 million as at 31 December 2022. The decrease of \$1.2 million was due to repayment of bank loan.

### **Statement of Cash Flows**

The Group generated net cash flow from operating activities of \$14.2 million in 1H23. This was mainly derived from the profit generated from operations in 1H23 offset by income taxes paid, decrease in trade and other payables and increase in trade and other receivables.

Net cash used in investing activities in 1H23 amounted to \$4.8 million, mainly due to purchase of plant and equipment for the existing and new dental clinics, sign on bonus for dentists and cost of developing the Artificial Intelligence (AI) guided clinical decision support system.

Net cash used in financing activities in 1H23 was \$15.6 million, mainly due to repayment of lease liabilities arising from right-of use assets, dividend payment to shareholders and repayment of bank loans.

Consequent to the above factors, the Group's cash and cash equivalents was \$33.4 million as at 30 June 2023.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast had been issued for the current financial reporting period. The financial results are in line with the expectations as disclosed in previous quarterly announcement.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

### **Industry Prospects**

Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months.

### **Recent Developments**

- Proposed Amendment to Q & M Performance Share Plan 2018 ("Plan")

Pursuant to the proposed amendment, all of the Group's dentists (who are not employees of the Group) will be eligible to participate in the Plan and be eligible to be awarded shares in the capital of the Company ("Shares"), subject to the terms and conditions of the Plan. The Company intends to call for an extraordinary general meeting seeking shareholders' approval for the proposed amendment.



- Update on Enforcement of Arbitral Award Obtained Against Dr. Lou Tie Ying

On 11 May 2023, the Company updated shareholders that the Group has successfully obtained an order from the Court to recognise and enforce the Award in the PRC. The effect of the order is that the Award is now enforceable against Dr. Lou in the PRC and the Group is in the process of commencing enforcement proceedings against Dr. Lou's assets in the PRC.

- Disposal of the 80% issued Share Capital of Shanghai Chuangyi Investment & Management Co., Ltd.; and Entry into Settlement and Termination

On 20 June 2023, the Company announced that the Company has entered into a settlement and termination deed ("Settlement Deed") with Wong Kee Hau, Wu Jun (Collective the "Covenantors"). Subject to the terms of the Settlement Deed, the Company and the Covenantors have agreed to a full and final settlement of any and all disputes, claims and/or counter claims between the Company and Convenantors. On 12 July 2023, the Company has completed the share transfer to the Convenantors.

- Q & M Free Dental Clinic Launched to Provide Free Essential Dental Treatments for Underprivileged Individuals and Families

On 10 July 2023, Q & M Free Dental Clinic Limited, a registered charity under the Commission of Charities, has opened its first Q & M Free Dental Clinic in Chai Chee dedicated to delivering essential dental treatment for underprivileged individuals and families in need.

- Update on the Use of Proceeds from Placement of Treasury Shares

The Board of Directors of the Company wishes to provide an update on the use of the proceeds of approximately \$1.7 million raised from the placement of treasury shares in the capital of the Company on 20 October 2022.

As at 30 June 2023, the Company has fully utilised the proceeds raised from the placement for the following purposes:

	Allocation of Net Cash Proceeds \$'000	Amount Utilised as at the 30 June 2023 \$'000
Business expansion	680	680
Operating expenses		
- Purchase of dental equipment in Malaysia	510	510
Loan repayment	510	510
	<u>1,700</u>	<u>1,700</u>





## Future Plans

The Group intends to continue executing the business plans outlined below.

- Expansion of network of dental clinics in Singapore and Malaysia

The Group is initiating a strategy of intensive organic growth of dental clinics and will expand its team of dentists to support the future growth of its operations in Singapore and Malaysia. We will continue to develop, invest and optimise our digital guided clinical decision support system to provide the most effective and suitable treatment plans for our patients.

With rising standards of living and higher expectations of dental healthcare, especially in Singapore, the Group believes it is well-positioned to meet the rising demand for primary and high-value specialist dental healthcare services for its patients.

- Expansion in Southeast Asia

The Group is continuously looking for opportunities to expand its dental business to other viable Southeast Asian countries.

- Medical Laboratory

The Group's medical laboratory will continue to progressively roll out its pipeline of new PCR tests for various medical purposes. These include the tests for sepsis, identification of bacteria pathogens and their associated antimicrobial resistance in hospitalised pneumonia.

## 5. Dividend

### (a) Current Financial Period Reported On

**Any dividend declared for the current financial period reported on? Yes**

Name of dividend	First Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.16 cent per ordinary share
Tax rate	One tier tax exempt



**(b) Corresponding Period of the immediately Preceding Financial Year**

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

Name of dividend	First Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.4 cent per ordinary share
Tax rate	One tier tax exempt

**(c) The date the dividend is payable.**

First Interim Dividend

The dividend will be paid on 13 September 2023.

**(d) Book closure date**

First Interim Dividend

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 30 August 2023 on which day no share transfer will be effected.

Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02 Singapore 068898, up to 5.00 p.m. on 29 August 2023 will be registered to determine members' entitlements to the interim dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 29 August 2023 will be entitled to the payment of the interim dividend.

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

Not applicable.

**7. If the Group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group did not obtain a general mandate from shareholders for IPTs.

**8. Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720 (1) of the Listing Manual.



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

**9. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned directors, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company that may render the condensed interim financial statements to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Dr Ng Chin Siau**  
Group CEO & Executive Director

**Dr Ang Ee Peng Raymond**  
COO & Executive Director

**14 August 2023**