

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION. THIS OFFER DOCUMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY SECURITIES IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS UNLAWFUL OR UNAUTHORISED.

OFFER DOCUMENT DATED 19 MAY 2025

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Q & M Dental Group (Singapore) Limited (the “**Offeror**”) does not purport to advise the shareholders (“**Shareholders**”) of Aoxin Q & M Dental Group Limited (“**Company**”) and/or any other person. In preparing their letter to the Shareholders, the Offeror has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder.

The contents of this Offer Document have not been reviewed by any regulatory authority in any jurisdiction. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Offer Document, you should obtain independent professional advice.

The views of the directors of the Company who are considered independent for the purposes of the Offer (“Independent Directors”) and the independent financial adviser to the Independent Directors on the Offer will be made available to you in due course by the Company. You may wish to consider their views before taking any action in relation to the Offer.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of the Company (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Offer Document and the accompanying Form of Acceptance and Authorisation for Offer Shares (“**FAA**”) to the purchaser or transferee as arrangements will be made by CDP for a separate hardcopy notification (“**Notification**”) (containing the address and instructions for the electronic retrieval of this Offer Document and its related documents) and the FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not held through CDP, you should immediately hand the Notification and the accompanying Form of Acceptance and Transfer for Offer Shares (“**FAT**”) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

MANDATORY UNCONDITIONAL CASH OFFER

by

Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration No: 200800507R)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration No: 201110784M)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 16 JUNE 2025. THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND THAT DATE OR TO REVISE THE TERMS OF THE OFFER.

NOTICE IS HEREBY GIVEN THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 16 JUNE 2025 AND WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. (SINGAPORE TIME) ON 16 JUNE 2025 AND THE TERMS OF THE OFFER WILL NOT BE REVISED, SAVE THAT SUCH NOTICE SHALL NOT BE CAPABLE OF BEING ENFORCED IN A COMPETITIVE SITUATION.

The procedures for acceptance of the Offer are set out in Appendix B to this Offer Document and in the accompanying FAA and/or FAT (as applicable).

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document and the Acceptance Forms (as defined herein):

“ 2016 Circular ”	:	The Offeror’s circular dated 14 October 2016
“ Acceptance Forms ”	:	The FAA and the FAT collectively or any one of them, as the case may be
“ Accepting Shareholders ”	:	Has the meaning ascribed to it in paragraph 2.4 of this Offer Document
“ ACRA ”	:	The Accounting and Corporate Regulatory Authority of Singapore
“ Aoxin Q & M Performance Share Plan ”	:	The performance share plan which was approved and adopted by Shareholders on 9 January 2019
“ Aoxin Q & M Employee Share Option Scheme ”	:	The employee share option scheme which was approved and adopted by Shareholders on 9 January 2019
“ Aoxin IPO Restricted Shareholders ”	:	Has the meaning ascribed to it in paragraph 7.2 of this Offer Document
“ Aoxin IPO Share Restriction ”	:	Has the meaning ascribed to it in paragraph 7.2 of this Offer Document
“ Awards ”	:	Has the meaning ascribed to it in paragraph 2.3(b) of this Offer Document
“ Business Day ”	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
“ Catalist ”	:	Catalist, the sponsor-supervised board of the SGX-ST
“ Catalist Rules ”	:	The SGX-ST Listing Manual Section B: Rules of Catalist
“ CDP ”	:	The Central Depository (Pte) Limited
“ Closing Date ”	:	5.30 p.m. (Singapore time) on 16 June 2025 , being the last day for the lodgement of acceptances of the Offer
“ Code ”	:	The Singapore Code on Take-overs and Mergers
“ Companies Act ”	:	The Companies Act 1967 of Singapore
“ Company ”	:	Aoxin Q & M Dental Group Limited
“ Company Securities ”	:	(a) Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of Shares or securities which carry voting rights in the Company

DEFINITIONS

“ Concert Parties ”	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
“ Date of Receipt ”	:	The date of receipt of the relevant Acceptance Form by CDP or the Registrar (as the case may be) on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
“ DCS ”	:	CDP’s Direct Crediting Service
“ Despatch Date ”	:	19 May 2025, being the date of despatch of this Offer Document electronically to Shareholders through its publication on the website of the SGX-ST at https://www.sgx.com
“ Dissenting Shareholders ”	:	Has the meaning ascribed to it in paragraph 9.2 of this Offer Document
“ Distributions ”	:	Has the meaning ascribed to it in paragraph 2.4 of this Offer Document
“ Dr. Ng ”	:	Dr. Ng Chin Siau
“ Dr. Raymond ”	:	Dr. Ang Ee Peng Raymond
“ Dr. Shao ”	:	Dr. Shao Yongxin
“ Electronic Acceptance ”	:	The SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
“ Encumbrances ”	:	Any liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
“ FAA ”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of this Offer Document and which is issued to Depositors whose Offer Shares are deposited with CDP
“ FAT ”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of this Offer Document and which is issued to Shareholders whose Offer Shares are registered in their own name in the Register and are not deposited with CDP
“ Group ”	:	The Company and its subsidiaries
“ HFEL ”	:	Health Field Enterprises Limited
“ IFA ”	:	The independent financial adviser to the Independent Directors
“ Indemnified Persons ”	:	Has the meaning ascribed to it in paragraph 2.9 of Appendix B to this Offer Document
“ IPO Offer Document ”	:	The Company’s initial public offering offer document dated 18 April 2017
“ IPO Share Restriction Agreement ”	:	Has the meaning ascribed to it in paragraph 7.2 of this Offer Document

DEFINITIONS

“Independent Directors”	:	The directors of the Company who are considered independent for the purposes of the Offer
“Last Trading Date”	:	Has the meaning ascribed to it in paragraph 1.1 of this Offer Document
“Latest Practicable Date”	:	12 May 2025, being the latest practicable date prior to the electronic dissemination of this Offer Document
“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Master Agreement”	:	Has the meaning ascribed to it in paragraph 1.1 of this Offer Document
“Mrs. Ng”	:	Madam Foo Siew Jiuan
“Ms. Ng”	:	Ms. Ng Sook Hwa
“Notification”	:	The hardcopy notification containing instructions on how to access the electronic copy of the Offer Document and its related documents despatched on the Despatch Date
“OCBC”	:	Oversea-Chinese Banking Corporation Limited
“Offer”	:	The mandatory unconditional cash offer by the Offeror to acquire the Offer Shares, on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT
“Offer Announcement”	:	The announcement in connection with the Offer released by the Offeror on the Offer Announcement Date
“Offer Announcement Date”	:	30 April 2025
“Offer Document”	:	This document dated 19 May 2025, including the FAA and/or FAT accompanying this document, issued by the Offeror in respect of the Offer
“Offer Period”	:	The period commencing from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed
“Offer Price”	:	Has the meaning ascribed to it in paragraph 2.2 of this Offer Document
“Offer Shares”	:	Has the meaning ascribed to it in paragraph 2.3 of this Offer Document
“Offeror”	:	Q & M Dental Group (Singapore) Limited
“Offeror Concert Party Group”	:	The Offeror and its Concert Parties
“Offeror Directors”	:	Has the meaning ascribed to it in paragraph 18.1 of this Offer Document
“Offeror Group”	:	The Offeror and its subsidiaries

DEFINITIONS

“Options”	:	Has the meaning ascribed to it in paragraph 2.3(b) of this Offer Document
“Overseas Shareholders”	:	Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be)
“Prof Chew”	:	Professor Chew Chong Yin
“QMH”	:	Quan Min Holdings Pte. Ltd.
“Reference Period”	:	The period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	Tricor Barbinder Share Registration Services
“Relevant Day”	:	Has the meaning ascribed to it in paragraph 3 of Appendix A to this Offer Document
“Relevant Persons”	:	Has the meaning ascribed to it in paragraph 11.1 of this Offer Document
“Restricted Jurisdiction”	:	Has the meaning ascribed to it in paragraph 14.1 of this Offer Document
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Security Enforcement”	:	Has the meaning ascribed to it in paragraph 1.1 of this Offer Document
“Settled Shares”	:	Has the meaning ascribed to it in paragraph 1.1.1 of Appendix B to this Offer Document
“SFA”	:	Securities and Futures Act 2001 of Singapore
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“SGXNET”	:	Singapore Exchange Network
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of Shares, including persons whose/which Shares are deposited with CDP or who/which have purchased Shares on the SGX-ST
“Shares”	:	Issued ordinary shares in the capital of the Company
“Share Security Agreement”	:	Has the meaning ascribed to it in paragraph 1.1 of this Offer Document
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme

DEFINITIONS

“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“Unsettled Buy Position”	:	Has the meaning ascribed to it in paragraph 1.1.1 of Appendix B to this Offer Document
“VWAP”	:	Volume weighted average price
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

Acting in concert. The term “**acting in concert**” shall have the meaning ascribed to it in the Code.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by the Offeror or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Convertible securities, etc. Save as otherwise defined and if the context otherwise requires, the expressions “**convertible securities**”, “**derivative**” and “**options**” shall have the meanings ascribed to them in the Code.

Depositors, etc. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them in Section 81SF of the SFA.

Derivatives. All references to “**derivative**” include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities.

Genders. Words importing the singular shall, where applicable, include the plural and vice versa. Words importing a single gender shall, where applicable, include any or all genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Rounding. Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

Statutes. Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Catalist Rules or the Listing Manual or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Code, the Catalist Rules or the Listing Manual or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

DEFINITIONS

Total number of issued Shares. Unless otherwise stated, references in this Offer Document to the total number of issued Shares in the capital of the Company are based on 511,522,048 Shares (excluding treasury shares) in issue as at the Latest Practicable Date (based on a search conducted at ACRA as at the Latest Practicable Date). Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Offer Document are based on 511,522,048 Shares (excluding treasury shares), as at the Latest Practicable Date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast”, “target” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror undertakes no obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Despatch Date of this Offer Document ⁽¹⁾	:	19 May 2025
Last date for dissemination of the Company's circular in relation to the Offer	:	2 June 2025
Closing Date in respect of the Offer ⁽²⁾⁽³⁾	:	16 June 2025
Date of settlement in respect of the Offer on which the Offer Price is despatched to Accepting Shareholders ⁽¹⁾	:	In respect of valid and complete acceptances received, within seven (7) Business Days after the Date of Receipt of each such acceptance
Final date of settlement in respect of the Offer	:	Within seven (7) Business Days after the Closing Date

Notes:

- (1) Other than the Despatch Date and the date of settlement in respect of the Offer, the other dates set out in the timetable above are indicative only and the actual dates of such events will be announced in due course by or on behalf of the Offeror or the Company on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.
- (2) The Offer must initially be open for at least 28 days from the Despatch Date.
- (3) SRS Investors and other investors who hold Shares through finance companies will receive notification letter(s) from their respective SRS Agent Banks and finance companies. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective SRS Agent Banks and finance companies and in order to accept the Offer.

LETTER TO SHAREHOLDERS



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration No: 200800507R)
(Incorporated in the Republic of Singapore)

Date: 19 May 2025

To: **The Shareholders of Aoxin Q & M Dental Group Limited**

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, the Offeror announced that the Offeror had acquired 87,973,480 Shares from HFEL pursuant to the share security agreement dated 12 October 2016 entered into by HFEL in favour of the Offeror ("**Share Security Agreement**"). The acquisition was completed based on the VWAP of S\$0.0321 per Share for trades done on 22 April 2025, being the last full market day on which the Shares were traded on the SGX-ST up to the trading halt on 28 April 2025 (the "**Last Trading Date**") and forms the partial settlement of the profit guarantee amounts owed by Dr. Shao and HFEL¹ pursuant to the master agreement dated 13 November 2013 ("**Master Agreement**")² and the Share Security Agreement ("**Security Enforcement**")³. In compliance with Rule 14.1 of the Code, the Offeror is making the Offer for all the Offer Shares.

A copy of the Offer Announcement is available on the website of the SGX-ST at <https://www.sgx.com>.

1.2 Offer Document

This Offer Document contains the formal Offer by the Offeror to acquire all the Offer Shares, subject to the terms and conditions set out in this Offer Document and the accompanying Acceptance Forms. The Notification Letter containing instructions on how to access the electronic copy of this Offer Document, together with the appropriate Acceptance Forms, has been despatched by the Offeror to the Shareholders on the Despatch Date. **Shareholders are urged to read this Offer Document carefully.**

1.3 Aggregate Existing Holding

As at the Latest Practicable Date, the Offeror Concert Party Group hold in aggregate 258,486,418 Shares, representing approximately 50.53% of the total number of issued Shares. Further details of Shares owned or controlled by the Offeror Concert Party Group are set out in **Appendix E** to this Offer Document.

¹ As disclosed in the Company's IPO Offer Document and the Offeror's 2016 Circular, HFEL is a company incorporated in the British Virgin Islands which is 100.00% held by Action Health Enterprises Limited (which is in turn 100.00% held by Dr. Shao).

² The term "**Master Agreement**" includes the supplemental agreements dated 2 December 2013, 6 July 2014, 12 October 2016 and 27 February 2017. Please refer to the Company's IPO Offer Document and the Offeror's 2016 Circular for more information in relation to the Master Agreement. Copies of the IPO Offer Document and the 2016 Circular are available on the website of the SGX-ST at www.sgx.com.

³ Please refer to the Company's IPO Offer Document and the Offeror's 2016 Circular for more information in relation to the Share Security Agreement. Copies of the IPO Offer Document and the 2016 Circular are available on the website of the SGX-ST at www.sgx.com.

LETTER TO SHAREHOLDERS

2. TERMS OF THE OFFER

2.1 Offer

In accordance with Rule 14.1 of the Code, the Offeror hereby offers to acquire all the Offer Shares, subject to the terms and conditions set out in this Offer Document. **The terms of the Offer will not be revised.**

2.2 Offer Price

For each Offer Share: S\$0.0321 in cash (the “Offer Price”).

The Offer Price is final. The Offeror does not intend to revise the Offer Price.

2.3 Offer Shares

The Offer will be extended, on the same terms and conditions, to:

- (a) all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror Concert Party Group; and
- (b) all new Shares unconditionally issued or to be issued, or treasury shares unconditionally delivered or to be delivered, as the case may be, prior to the final closing date of the Offer, pursuant to the valid vesting and release of any outstanding awards (“**Awards**”) granted under the Aoxin Q & M Performance Share Plan and/or exercise of options (“**Options**”) under the Aoxin Q & M Employee Share Option Scheme,

(collectively, the “**Offer Shares**”).

2.4 No Encumbrances

The Offer Shares will be acquired:

- (a) validly issued and fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all dividends, rights, return of capital and other distributions (“**Distributions**”) (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable to Shareholders who validly accept or have validly accepted the Offer (“**Accepting Shareholders**”) by an amount equivalent to such Distribution.

2.5 Unconditional

The Offer is **unconditional** in all respects.

2.6 No Awards and/or Options Offer

Based on the latest information available to the Offeror, there are no outstanding Awards or Options granted under the Aoxin Q & M Performance Share Plan and/or the Aoxin Q & M Employee Share Option Scheme as at the Latest Practicable Date. Accordingly, the Company will not make an offer to acquire any outstanding Awards or Options.

LETTER TO SHAREHOLDERS

2.7 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits and entitlements and advantages attaching thereto as at the Offer Announcement Date and hereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of such Offer Shares on or after the Offer Announcement Date as set out in paragraph 2.4 above.

2.8 Choices

Shareholders can, in relation to all or part of their Offer Shares, either:

- (a) accept the Offer in respect of such Offer Shares in accordance with the procedures set out in **Appendix B** to this Offer Document; or
- (b) take no action and let the Offer lapse in respect of their Offer Shares.

2.9 Duration of the Offer

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on 16 June 2025, being the Closing Date. The Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 16 June 2025 and the Offer will not be open for acceptances beyond 5.30 p.m. (Singapore time) on 16 June 2025. The Offeror does not intend to revise the terms of the Offer.

Accordingly, notice is hereby given that the Offer will close at 5.30 p.m. (Singapore time) on 16 June 2025 and will not be open for acceptances beyond 5.30 p.m. (Singapore time) on 16 June 2025 and the terms of the Offer will not be revised, save that such notice shall not be capable of being enforced in a competitive situation.

3. FURTHER DETAILS OF THE OFFER

Appendix A to this Offer Document sets out further details on:

- (a) the settlement of the consideration for the Offer;
- (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and
- (c) the right of withdrawal of acceptances of the Offer.

4. PROCEDURES FOR ACCEPTANCE

Appendix B to this Offer Document sets out the procedures for acceptance of the Offer.

LETTER TO SHAREHOLDERS

5. INFORMATION ON THE OFFEROR AND OFFEROR CONCERT PARTY GROUP

5.1 Information on the Offeror

The Offeror is a company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The Offeror Group is a leading private dental healthcare group in Southeast Asia.

As at the Latest Practicable Date, the Offeror has an issued share capital (excluding treasury shares) of S\$75,787,000 comprising of 948,560,520 issued ordinary shares.

As at the Latest Practicable Date, the directors of the Offeror are:

- (a) Dr. Ng (Non-Independent Executive Director/Group Chief Executive Officer);
- (b) Mr. Tan Teck Koon (Chairman, Independent Non-Executive Chairman);
- (c) Mr. Lim Yeow Hua (Independent Non-Executive Director);
- (d) Prof Chew (Independent Non-Executive Director); and
- (e) Dr. Raymond (Alternate Director to Dr. Ng).

Additional information on the Offeror is set out in **Appendix C** to this Offer Document.

5.2 Information on the Offeror Concert Party Group

As at the Latest Practicable Date, the Offeror Concert Party Group includes the following individuals and entities:

- (a) the Offeror;
- (b) directors of the Offeror;
- (c) QMH (being the Offeror's parent company, holding approximately 52.72% of the shares in the Offeror);
- (d) Dr. Ng (Dr. Ng is the Non-Independent Executive Director/Group Chief Executive Officer of the Offeror);
- (e) Mrs. Ng (being the wife of Dr. Ng); and
- (f) Ms. Ng (being the Chief Financial Officer of the Offeror and is the sister of Dr. Ng),

and the Offeror Concert Party Group currently holds an aggregate of 258,486,418 Shares, representing approximately 50.53% of the total number of issued Shares (excluding treasury shares in the Company), as follows:

- (a) the Offeror holds directly 255,644,318 Shares, following the acquisition of Security Enforcement Shares, representing approximately 49.98% of the total number of issued Shares (excluding treasury shares in the Company);
- (b) QMH holds directly 2,562,800 Shares, representing approximately 0.50% of the total number of issued Shares (excluding treasury shares in the Company);
- (c) Dr. Ng holds directly 163,300 Shares, representing approximately 0.03% of the total number of issued Shares (excluding treasury shares in the Company);
- (d) Mrs. Ng holds directly 10,000 Shares, representing approximately 0.002% of the total number of issued Shares (excluding treasury shares in the Company);

LETTER TO SHAREHOLDERS

- (e) Prof Chew holds directly 100,000 Shares, representing approximately 0.02% of the total number of issued Shares (excluding treasury shares in the Company); and
- (f) Dr. Raymond holds directly 6,000 Shares, representing approximately 0.001% of the total number of issued Shares (excluding treasury shares in the Company).

6. INFORMATION ON THE COMPANY

6.1 The Company

The Company was incorporated in Singapore on 5 May 2011 and the Shares were listed on the Catalist of the SGX-ST on 26 April 2017. The core business of the Group are (a) the provision of private dental services; (b) the distribution of dental equipment and supplies; and (c) provision of laboratory services. Following the completion of the Security Enforcement, the Offeror holds approximately 49.98% of the total number of issued Shares (excluding treasury shares) in the Company.

Based on public information available as at the Latest Practicable Date, the Company has an issued and paid-up capital of RMB445,723,000 (or approximately S\$79,962,706⁴), comprising 511,522,048 Shares (excluding treasury shares). Based on publicly available information, as at the Latest Practicable Date, the Company does not have any outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares.

As at the Latest Practicable Date, the directors of the Company are:

- (a) Mr. Chua Ser Miang (Non-Executive Chairman and Independent Director);
- (b) Dr. Shao (Executive Director and Group Chief Executive Officer);
- (c) Prof Chew (Independent Non-Executive Director);
- (d) Mr. Lin Ming Khin (Independent Non-Executive Director);
- (e) Ms. Ng (Non-Executive and Non-Independent Director); and
- (f) Dr. Ng (Non-Executive and Non-Independent Director).

6.2 Additional Information

Additional information on the Company is set out in **Appendix D** to this Offer Document.

7. IPO RESTRICTED SHAREHOLDERS

- 7.1 The Offeror has only acquired 87,973,480 Shares as partial settlement of the profit guarantee amounts owed by Dr. Shao and HFEL, and the remaining 21,428,229 Shares not acquired by the Offeror and held by HFEL will continue to be subject to the Share Security Agreement.
- 7.2 In addition to the Share Security Agreement, as disclosed in the Company's IPO Offer Document, the Offeror has also entered into an agreement dated 12 October 2016 (the "**IPO Share Restriction Agreement**"), with certain shareholders of the Company, namely, HFEL, Finest International Limited, Mountain Limited, Excellent Warship International Limited, Joyce International Limited (collectively, the "**Aoxin IPO Restricted Shareholders**"), pursuant to which, each of the parties agreed, amongst others, not to transfer or sell the Shares held by them ("**Aoxin IPO Share Restriction**"), save in compliance with the terms of the IPO Share Restriction Agreement, at any time and ending six (6) years from the listing date of the Company or until the Offeror ceases to hold any Shares, whichever is later. The shareholding of the Aoxin IPO Restricted Shareholders is set out in the table below:

⁴ Based on the closing exchange rate of approximately RMB/SGD 0.1794 as at 9 May 2025 being the last business day prior to the Last Practicable Date, as extracted from the Monetary Authority of Singapore's website.

LETTER TO SHAREHOLDERS

Name of Aoxin IPO Restricted Shareholder	No. of Shares subject to share restriction	Approximate percentage shareholding in the Company ⁽¹⁾ (%)
HFEL	21,428,229 (Shares not acquired pursuant to the Security Enforcement)	4.19
Finest International Limited	10,516,320	2.06
Mountain Limited	7,265,605	1.42
Excellent Warship International Limited	5,502,969	1.08
Joyce International Limited	2,026,471	0.40
Total	46,739,594	9.14

Note:

(1) Based on the issued and paid-up share capital of the Company comprising of 511,522,048 Shares.

- 7.3 As disclosed in paragraphs 9.1 and 9.2 of this Offer Document, the Offeror intends to preserve the listing status of the Company and is making the Offer in compliance with Rule 14.1 of the Code. In this regard, the Offeror does not intend to release the Aoxin IPO Restricted Shareholders from the Aoxin IPO Share Restriction.
- 7.4 **Accordingly, the Aoxin IPO Restricted Shareholders will not be able to accept the Offer in relation to the 46,739,594 Shares which are subject to the Aoxin IPO Share Restriction.**

8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

8.1 Compliance with the Code

The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Security Enforcement, the Offeror Concert Party Group have increased its shareholding percentage in the Company from approximately 33.33% to 50.53%.

8.2 Intention of the Offeror

The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets (if any), or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves and which it may regard to be in the interests of the Offeror or the Group.

It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1104 of the Catalist Rules, the Offeror intends to work together with the Company to lift the suspension by the SGX-ST.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror Concert Party Group to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 200 shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Company succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

LETTER TO SHAREHOLDERS

In addition, under Rule 724 of the Catalist Rules, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor and announce that fact, and the SGX-ST may suspend the trading of all the Shares. Rule 724 of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding treasury shares) in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1104 of the Catalist Rules, the Offeror intends to work together with the Company to lift the suspension by the SGX-ST.

9.2 No Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer in respect of not less than 90% of the total number of Shares (excluding treasury shares and other than those already held as at the date of the Offer by the Offeror and its related corporations (or their respective nominees) or any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all the Shares from the Company's shareholders who have not accepted the Offer ("**Dissenting Shareholders**"), and proceed to delist the Company from the SGX-ST.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror and its related corporations (or their respective nominees) and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

However, it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST. As such, the Offeror does not intend to exercise the right of compulsory acquisition which it may have under Section 215(1) of the Companies Act.

10. FINANCIAL EVALUATION

The Offer Price represents the following discount to the benchmark prices of the Shares as listed below:

	Description	Benchmark Price (S\$) ⁽¹⁾	Discount to the Benchmark Price (%) ⁽²⁾
(a)	Last transacted price per Share on 22 April 2025, being the Last Trading Date	0.0321	-
(b)	VWAP per Share for the one (1)-month period prior to and including the Last Trading Date	0.0384	16.41%
(c)	VWAP per Share for the three (3)-month period prior to and including the Last Trading Date	0.0396	18.94%

LETTER TO SHAREHOLDERS

	Description	Benchmark Price (\$) ⁽¹⁾	Discount to the Benchmark Price (%) ⁽²⁾
(d)	VWAP per Share for the six (6)-month period prior to and including the Last Trading Day	0.0415	22.65%
(e)	VWAP per Share for the 12-month period prior to and including the Last Trading Day	0.0473	32.14%

Notes:

- (1) Based on data extracted from Bloomberg L.P. Figures rounded to the nearest four (4) decimal places.
(2) Figures rounded to the nearest two (2) decimal places.

11. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN COMPANY SECURITIES

11.1 Holdings and Dealings in the Company Securities

Save as disclosed in this Offer Document (in particular, but without limitation, in **Appendix E** to this Offer Document), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror Concert Party Group ("**Relevant Persons**"):

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Reference Period.

11.2 Other Arrangements

Save as disclosed in this Offer Document (in particular, but without limitation, in **Appendix F** to this Offer Document), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Relevant Persons have:

- (a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;
- (b) received any irrevocable commitment to accept or reject the Offer in respect of any Company Securities;
- (c) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (e) lent any Company Securities to another person.

12. CONFIRMATION OF FINANCIAL RESOURCES

Oversea-Chinese Banking Corporation Limited ("**OCBC**") confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer in respect of the Offer Shares (including the 46,739,594 Shares which are subject to the Aoxin IPO Share Restriction). For the avoidance of doubt, OCBC is not acting as financial adviser to the Offeror for the Offer.

LETTER TO SHAREHOLDERS

13. ELECTRONIC DESPATCH OF THE OFFER DOCUMENT

Pursuant to the SIC's Public Statement on Despatch of Take-over Documents under the Code issued on 6 May 2020, the SIC's Public Statement on the Extension of the Temporary Measures to allow for Electronic Despatch of Take-over Documents under the Code issued on 29 September 2020 and the SIC's Public Statement on the Further Extension of Temporary Measures to Allow for Electronic Despatch of Take-over Documents under the Code issued on 29 June 2021, the Offeror has opted to electronically despatch this Offer Document setting out the terms and conditions of the Offer. In connection with the electronic despatch of this Offer Document, the Notification containing instructions on how to access the electronic copy of this Offer Document, together with the appropriate Acceptance Forms, has been despatched by the Offeror to the Shareholders on the Despatch Date. Shareholders are advised to read this Offer Document and the Acceptance Forms carefully.

14. OVERSEAS SHAREHOLDERS

14.1 Overseas Jurisdictions

This Offer Document, the Notification, the Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Notification, the Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Offer Document, the Notification, the Acceptance Forms and/or any related documents in certain overseas jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document, the Notification, the Acceptance Forms and/or any related documents is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Document, the Notification, the Acceptance Forms and/or any related documents and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

14.2 Overseas Shareholders

The availability of the Offer to Overseas Shareholders and the ability of Overseas Shareholders to accept the Offer may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions and exercise caution in relation to the Offer, as this Offer Document has not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending the Notification and/or the relevant Acceptance Forms to any overseas jurisdictions, the Offeror, CDP and the Registrar each reserves the right not to send these documents or any part thereof to Overseas Shareholders in such overseas jurisdictions.**

LETTER TO SHAREHOLDERS

For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Notification and/or the relevant Acceptance Forms have not been, or may not be, sent.

It is the responsibility of Overseas Shareholders who wish (a) to request for the Notification and/or the relevant Acceptance Forms; or (b) to accept the Offer, to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for the Notification and the relevant Acceptance Forms; and/or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror, CDP and the Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position, including (without limitation) the ability to accept the Offer, should consult his professional adviser in the relevant jurisdiction.

14.3 Copies of the Notification and the Relevant Acceptance Forms

Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, obtain a copy of the Notification, the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from CDP (if he is a Depositor) by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such documents or the office of the Registrar, Tricor Barbinder Share Registration Services (if he is a scripholder) at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror at (a) Q & M Dental Group (Singapore) Limited c/o The Central Depository (Pte) Limited at Privy Box No. 920764, Singapore 929292 (if he is a Depositor), or (b) Q & M Dental Group (Singapore) Limited c/o Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619 (if he is a scripholder), to request for the Notification, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

Electronic copies of this Offer Document and the relevant Acceptance Forms are available on the website of the SGX-ST at <https://www.sgx.com>.

14.4 Notice

The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.

15. INFORMATION PERTAINING TO SRS INVESTORS

SRS Investors will receive further information on how to accept the Offer from their SRS Agent Banks directly. SRS Investors are advised to consult their SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.

LETTER TO SHAREHOLDERS

SRS Investors who wish to accept the Offer are to reply to their SRS Agent Banks accordingly by the deadline stated in the letter from their SRS Agent Banks. SRS Investors who accept the Offer will receive the Offer Price in respect of their Offer Shares, in their SRS investment accounts.

16. GENERAL INFORMATION

16.1 Independent Advice

The Offeror does not purport to advise the Shareholders or any other person. In preparing this Offer Document, the Offeror has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder. The views of the Independent Directors and the IFA on the Offer will be made available by the Company to Shareholders within 14 days of the Despatch Date. Shareholders should consider their advice before taking any action in relation to the Offer.

16.2 Governing Law and Jurisdiction

The Offer, this Offer Document, the Acceptance Forms, all acceptances of the Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore. The Offeror and each accepting Shareholder submit to the exclusive jurisdiction of the courts of Singapore.

16.3 No Third Party Rights

Unless expressly provided to the contrary in this Offer Document and the Acceptance Forms, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document and the Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

16.4 Valid Acceptances

The Offeror, CDP and the Registrar each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated herein or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and the instructions printed on the relevant Acceptance Forms.

16.5 Accidental Omission

Accidental omission to despatch or disseminate this Offer Document, the Acceptance Forms, or any notice or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

16.6 Additional General Information

Additional general information in relation to the Offer is provided in **Appendix F** to this Offer Document.

16.7 Transferee of the Offer Shares

The Offeror reserves the right to nominate any person (who will be holding the Shares as a nominee for the Offeror) as the transferee of the Offer Shares tendered in acceptance of the Offer.

LETTER TO SHAREHOLDERS

17. CAUTIONARY STATEMENT

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.

18. OFFEROR'S RESPONSIBILITY STATEMENT

18.1 The directors of the Offeror (the "**Offeror Directors**") (including those who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted from this Offer Document, and they jointly and severally accept responsibility accordingly.

18.2 Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the Group), the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offer Document.

Issued by

Q & M DENTAL GROUP (SINGAPORE) LIMITED

19 May 2025

Any inquiries relating to the Offer should be directed to the following:

Q & M Dental Group (Singapore) Limited

Tel: (65) 67059888

APPENDIX A – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 Closing Date

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. **Accordingly, notice is hereby given that the Offer will close at 5.30 p.m. (Singapore time) on 16 June 2025. The Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on 16 June 2025 and the Offer will not be open for acceptances beyond 5.30 p.m. (Singapore time) on 16 June 2025. The Offeror does not intend to revise the terms of the Offer.**

1.2 Revision

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who have previously accepted the Offer. **The Offeror does not intend to revise the Offer Price or any other terms of the Offer.**

2. SETTLEMENT FOR THE OFFER

Mode of Settlement

Subject to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with the requirements set out in this Offer Document, the FAA, the FAT and/or the terms and conditions for Electronic Acceptance (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares tendered by the Accepting Shareholders in acceptance of the Offer are standing to the credit of the “Free Balance” of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to Accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by the following means:

- (a) in the case of Accepting Shareholders who are Depositors:
 - (i) who are subscribed to CDP’s Direct Crediting Service (“**DCS**”), CDP will send each Accepting Shareholder a notification letter stating the number of Offer Shares debited from the Depositor’s Securities Account together with payment of the Offer Price in respect of such Offer Shares which will be credited directly into the Depositor’s designated bank account for Singapore Dollars via CDP’s DCS; or
 - (ii) who are not subscribed to CDP’s DCS, credited to such Accepting Shareholder’s Cash Ledger and be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (“**Cash Ledger**” and “**Cash Distribution**” are as defined therein); or
- (b) in the case of Accepting Shareholders holding share certificate(s) which is/are not deposited with CDP, a Singapore dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to the address stated in the respective FATs or, if none is set out, to the respective addresses maintained in the Register, at the risk of the Accepting Shareholders,

as soon as practicable and in any case within seven (7) Business Days after receipt of acceptances of the Offer which are complete and valid in all respects and which are received by 5.30 p.m. (Singapore time) on the Closing Date.

APPENDIX A – DETAILS OF THE OFFER

3. ANNOUNCEMENTS

3.1 Timing and Contents

Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (“**Relevant Day**”) immediately after the day on which the Offer is due to expire, or is revised (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):

- (a) for which valid acceptances of the Offer have been received;
- (b) held by the Offeror and any of its Concert Parties before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and any of its Concert Parties during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

3.2 Suspension

Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 (Timing and Contents) of this **Appendix A**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

3.3 Valid Acceptances

Subject to paragraph 16.4 (Valid Acceptances) of this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

3.4 Announcements

In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by the Offeror to the press or the delivery of or transmission by telephone, telefax, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

4.1 Acceptances Irrevocable

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable and may not be withdrawn.

4.2 Right of Withdrawal of Shareholders

If the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:

- (a) Shareholders holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw their acceptance by written notice to **Q & M Dental Group (Singapore) Limited c/o The Central Depository (Pte) Limited at Privy Box No. 920764, Singapore 929292**; and
- (b) Shareholders holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw their acceptance by written notice to **Q & M Dental Group (Singapore) Limited c/o Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619**.

APPENDIX A – DETAILS OF THE OFFER

A notice of withdrawal shall be effective only if signed by the Accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

1.1 Depositors

1.1.1 **Depositors whose Securities Accounts are Credited with Offer Shares.** If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive the Notification together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com).

Acceptance. If you wish to accept the Offer, you should:

(i) complete the FAA in accordance with this Offer Document and the instructions printed on the FAA. In particular, you must state in **Section C** of the FAA or the relevant section in the electronic form of the FAA, the number of Offer Shares in respect of which you wish to accept the Offer;

(a) if you:

(aa) do not specify such number; or

(bb) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, by 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date); and

(b) if paragraph 1.1.1(i)(a)(bb) above applies and at the time of verification by CDP of the FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Offer is open, up to 5.30 p.m. (Singapore time) on the Closing Date (“**Settled Shares**”), you shall be deemed to have accepted the Offer in respect of the balance number of Offer Shares inserted in Part A of the FAA or the relevant section of the electronic form of the FAA which have not yet been accepted pursuant to paragraph 1.1.1(i)(a)(bb) above, or the number of Settled Shares, whichever is less;

(ii) if you are submitting the FAA in physical form, sign the FAA in accordance with this **Appendix B** and the instructions printed on the FAA; and

(iii) submit the completed FAA:

(a) **by post**, in the enclosed pre-addressed envelope at your own risk, to Q & M Dental Group (Singapore) Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or

(b) **in electronic form**, via SGX’s Investor Portal at <https://investors.sgx.com/>,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is **NOT** pre-paid for posting. It is your responsibility to affix adequate postage on the said envelope.

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

If you have sold or transferred all your Offer Shares held through CDP, you need not forward the Notification and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Notification and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on their behalf and such Electronic Acceptances must be submitted not later than 5.30 p.m. (Singapore time) on the Closing Date. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

1.1.2 **Depositors whose Securities Accounts will be Credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive the Notification together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com).

Acceptance. If you wish to accept the Offer in respect of such Offer Shares, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares:

- (i) complete the FAA in accordance with paragraph 1.1.1 of this **Appendix B** and the instructions printed on the FAA; and
- (ii) submit the completed FAA:
 - (a) **by post**, in the enclosed pre-addressed envelope at your own risk, to Q & M Dental Group (Singapore) Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or
 - (b) **in electronic form**, via SGX's Investor Portal at <https://investors.sgx.com/>,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is enclosed with the FAA, which is **NOT** pre-paid for posting. It is your responsibility to affix adequate postage on the said envelope.

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be, credited to the “Free Balance” of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of the Offeror and CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by the Date of Receipt or by 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), unless paragraph 1.1.1(i)(a)(bb) read together with paragraph 1.1.1(i)(b) of this **Appendix B** apply. If the Unsettled Buy Position does not settle by 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares will be rejected. None of the Offeror and CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

1.1.3 **Depositors whose Securities Accounts are and will be Credited with Offer Shares.** If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares.

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 1.1.4 **FAAs Received on Saturday, Sunday and Public Holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- 1.1.5 **General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service; or (ii) through the CDP Phone Service using SMS OTP, under the option “To check your securities balance”.
- 1.1.6 **Blocked Balance.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to the “Blocked Balance” of your Securities Account. Such Offer Shares will be held in the “Blocked Balance” until the consideration for such Offer Shares has been despatched to you.
- 1.1.7 **Notification.** As the Offer is unconditional, if you have accepted the Offer in accordance with the provisions contained in this **Appendix B** and the FAA, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price which will be credited directly into your designated bank account for Singapore Dollars via CDP’s DCS on the payment date as soon as practicable and in any event within seven (7) business days after receipt of such acceptance(s) of the Offer which is complete and valid in all respects and which is received by 5.30 p.m. (Singapore time) on the Closing Date.

In the event you are not subscribed to CDP’s DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

- 1.1.8 **No Securities Account.** If you do not have an existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be **rejected**.

1.2 Holders of Offer Shares in Scrip Form

1.2.1 Shareholders whose Offer Shares are not deposited with CDP

If you hold Offer Shares which are not deposited with CDP (“**in scrip form**”), you should receive the Notification together with a FAT. If you do not receive a FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from the Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619.

1.2.2 Acceptance

If you wish to accept the Offer, you should:

- (i) complete the FAT in accordance with this Offer Document and the instructions printed on the FAT. In particular, you must state in the FAT the number of Offer Shares in respect of which you wish to accept the Offer and state in the FAT the share certificate number(s) of the relevant share certificate(s). If you:
 - (a) do not specify such number in the FAT; or
 - (b) specify a number in the FAT which exceeds the number of Offer Shares represented by the share certificate(s) accompanying the FAT,

you shall be deemed to have accepted the Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT;

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (ii) sign the FAT in accordance with this **Appendix B** and the instructions printed on the FAT; and
- (iii) deliver:
 - (a) the completed and signed FAT;
 - (b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register of Members of the Company as holding Offer Shares but you do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the FAT;
 - (c) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror, or any person nominated in writing by the Offeror or a person authorised by either); and
 - (d) any other relevant document(s),

either:

- (1) by **hand**, to Q & M Dental Group (Singapore) Limited c/o Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619; or
- (2) by **post**, in the enclosed pre-addressed envelope at your own risk, to Q & M Dental Group (Singapore) Limited c/o Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is **NOT** pre-paid for posting. It is your responsibility to affix adequate postage on the said envelope.

1.2.3 Receipt

No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror or the Registrar.

1.2.4 FATs Received on Saturday, Sunday and Public Holidays

For the avoidance of doubt, FATs received by the Offeror and/or the Registrar on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

2. GENERAL

2.1 Disclaimer

The Offeror, CDP and/or the Registrar will be authorised and entitled, in their sole and absolute discretion, to reject any acceptance of the Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Offer Document and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror, CDP or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

2.2 Discretion

The Offeror reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the FAA and FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and the FAA and FAT, as the case may be. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

2.3 Scripless and Scrip Offer Shares

If you hold some Offer Shares with CDP and others in scrip form, you should complete the FAA for the former and the FAT for the latter in accordance with the respective procedures set out in this **Appendix B** and the respective Acceptance Forms if you wish to accept the Offer in respect of such Offer Shares.

2.4 Deposit Time

If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Offer Shares, you should complete the FAT and follow the procedures set out in Paragraph 1.2 of this **Appendix B**.

2.5 Correspondences

All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the Register of Members of the Company) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto.

2.6 Evidence of Title

Delivery of the duly completed and signed FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror, to the Offeror, CDP and/or the Registrar, shall be conclusive evidence in favour of the Offeror, CDP and/or the Registrar of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.

APPENDIX B – PROCEDURES FOR ACCEPTANCE OF THE OFFER

2.7 Loss in Transmission

The Offeror, CDP and/or the Registrar as the case may be, shall not be liable for any loss in transmission of the FAA and/or FAT.

2.8 Acceptances Irrevocable

Except as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable.

2.9 Personal Data Privacy

By completing and delivering a FAA and/or FAT, each person (a) consents to the collection, use and disclosure of his personal data by the Offeror, CDP, the Registrar, the Company, and the SGX-ST (collectively, “**Indemnified Persons**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Indemnified Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, and (c) agrees that he will indemnify the Indemnified Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

1. OFFEROR

The names, addresses and descriptions of the Offeror Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Dr. Ng Chin Siau	c/o 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809	Non-Independent Executive Director/Group Chief Executive Officer
Mr. Tan Teck Koon	c/o 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809	Chairman, Independent Non-Executive Chairman
Mr. Lim Yeow Hua	c/o 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809	Independent Non-Executive Director
Professor Chew Chong Yin	c/o 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809	Independent Non-Executive Director
Dr. Ang Ee Peng Raymond	c/o 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809	Alternate Director to Dr. Ng Chin Siau

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is a company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The Offeror Group is a leading private dental healthcare group in Southeast Asia.

As at the Latest Practicable Date the Offeror has an issued and paid-up share capital (excluding treasury shares) of S\$75,787,000 comprising of 948,560,520 ordinary shares.

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

3. SUMMARY OF FINANCIAL PERFORMANCE

A summary of the audited consolidated income statements of the Offeror for FY2022, FY2023 and FY2024 is set out in the table below:

	FY2024 (\$'000) (Audited)	FY2023 (\$'000) (Audited)	FY2022 (\$'000) (Audited)
Revenue	180,674	182,723	181,214
Interest income	–	61	25
Other income and gains	1,741	90	65
Consumables, dental equipment and dental supplies used	(20,428)	(21,319)	(25,170)
Employee benefits expense	(105,886)	(108,853)	(103,612)
Depreciation and amortisation expense	(17,976)	(17,776)	(17,059)
Finance costs	(5,372)	(5,655)	(3,909)
Other expenses	(12,108)	(12,514)	(11,465)
Other losses	(6,400)	(3,010)	(5,275)
Share of profit (loss) from equity-accounted associates	507	(83)	(537)
Profit before tax from continuing operations	14,752	13,664	14,277
Income tax expense	(1,686)	(2,591)	(2,421)
Profit from continuing operations, net of tax	13,066	11,073	11,856
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation, net of tax	639	(1,169)	(2,005)
Other comprehensive income (loss) for the year, net of tax	639	(1,169)	(2,005)
Total comprehensive income	13,705	9,904	9,851
Profit attributable to owners of the parent, net of tax	14,637	11,517	11,309
(Loss) profit attributable to non-controlling interests, net of tax	(1,571)	(444)	547
Profit net of tax	13,066	11,073	11,856
Total comprehensive income attributable to owners of the parent	15,208	10,437	9,378
Total comprehensive (loss) income attributable to non-controlling interests	(1,503)	(533)	473
Total comprehensive income	13,705	9,904	9,851
Basic and Diluted earnings per share (cents)	1.55	1.22	1.20
Dividends per share (cents)	0.93	0.76	1.40

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

4. STATEMENTS OF FINANCIAL POSITION

A summary of the audited consolidated balance sheet of the Offeror as at 31 December 2024 is set out in the table below:

	FY2024 (\$'000) (Audited)
Assets	
Non-current assets	
Property, plant and equipment	
Leasehold improvements	4,546
Furniture and fittings and equipment	14,756
Leasehold properties	17,650
Motor vehicles	104
Total Property, plant and equipment	37,056
Right-of-use assets	38,182
Investments in subsidiaries	–
Investments in associates	26,208
Goodwill	52,357
Other intangible assets	427
Other receivables	2,933
Other non-financial assets	6,549
	126,656
Total non-current assets	163,712
Current assets	
Inventories	10,587
Trade and other receivables	35,981
Other non-financial assets	3,151
Cash and cash equivalents	34,342
Total current assets	84,061
Total assets	247,773
Liabilities	
Non-current liabilities	
Provisions	985
Deferred tax liabilities	2,518
Lease liabilities	30,714
Other financial liabilities	73,239
Total non-current liabilities	107,456
Current liabilities	
Income tax payable	1,762
Lease liabilities	10,923
Trade and other payables	18,621
Other financial liabilities	504
Total current liabilities	31,810
Total liabilities	139,266
Equity	
Shareholders' equity	
Share capital	86,758
Treasury shares	(10,855)
Retained earnings	33,674
Other reserves	(3,407)
Total shareholders' equity	106,170
Non-controlling interests	2,337
Total equity	108,507
Total liabilities and equity	247,773

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for the making of the Offer and save as disclosed in this Offer Document⁵ and save for the information on the Offeror Group which is publicly available⁶, there has not been, to the knowledge of Offeror Group, any material change in the financial position of the Offeror Group since 31 December 2024, being the date of the last audited consolidated financial statements of the Offeror Group.

6. SIGNIFICANT ACCOUNTING POLICIES

The Offeror Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) as required by the Companies Act. The significant accounting policies of the Offeror Group are disclosed in Note 2 to the audited consolidated financial statements of the Offeror Group for FY2024 and as extracted from the Offeror’s Annual Report for FY2024 and set out in **Appendix G** to this Offer Document and also available on the website of the Offeror at <https://qandm-dental.listedcompany.com/newsroom.html>.

Save as disclosed in this Offer Document and in publicly available information on the Offeror, there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

7. CHANGES IN ACCOUNTING POLICIES

The changes in the significant accounting policies of the Offeror Group are disclosed in Note 2 to the audited consolidated financial statements of the Offeror Group for FY2024 as extracted from the Offeror’s Annual Report for FY2024 and set out in **Appendix G** to this Offer Document.

Save as disclosed in this Offer Document and in publicly available information on the Offeror as at the Latest Practicable Date, there are no changes in the accounting policies of the Offeror Group which will cause the financial information of the Offeror Group disclosed in this Offer Document to not be comparable to a material extent.

6. REGISTERED OFFICE

The registered office of the Offeror is at 2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809.

⁵ As disclosed in the Offeror’s announcement dated 30 April 2025, following the completion of the Security Enforcement, the Offeror holds directly 49.98% of the Company’s Shares as at the Latest Practicable Date. Accordingly, the Company will be recognised as a subsidiary instead of an associate in the Offeror’s consolidated financial statements. Please refer to the section entitled “Financial Effects Of The Transactions” in the Offeror’s announcement dated 30 April 2025 for more information on the *pro forma* financial effects of the Security Enforcement and Offer.

⁶ As disclosed in the Offeror’s announcement dated 11 April 2025, the Offeror had completed the proposed acquisition of 51% of the entire issued and paid-up share capital of EM2AI Pte. Ltd. (“**EM2AI**”). Accordingly, the Offeror’s shareholding interest in EM2AI has increased from 49% to 100% and EM2AI is a wholly-owned subsidiary of the Offeror as at the Latest Practicable Date.

APPENDIX D – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Chua Ser Miang	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Non-Executive Chairman and Independent Director
Dr. Shao Yongxin	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Executive Director and Group Chief Executive Officer
Professor Chew Chong Yin	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Independent Non-Executive Director
Mr. Lin Ming Khin	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Independent Non-Executive Director
Ms. Ng Sook Hwa	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Non-Executive and Non-Independent Director
Dr. Ng Chin Siau	c/o 9 Raffles Place #26-01 Republic Plaza, Singapore 048619	Non-Executive and Non-Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of RMB445,723,000 (approximately S\$79,962,706⁷) comprising 511,522,048 issued Shares and does not have any treasury shares.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for the information on the Group which is publicly available (including, without limitation, the announcements released by the Company on the SGX-ST), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Group since 31 December 2024, being the date of the last audited balance sheet of the Company laid before Shareholders in general meeting.

4. REGISTERED OFFICE

The registered office of the Company is at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619.

⁷ Based on the closing exchange rate of approximately RMB/SGD 0.1794 as at 9 May 2025 being the last business day prior to the Latest Practicable Date, as extracted from the Monetary Authority of Singapore's website.

APPENDIX E – DISCLOSURE OF HOLDINGS AND DEALINGS

1. Holdings of Company Securities

As at the Latest Practicable Date, based on information available to the Offeror, the interests in Company Securities owned, controlled or agreed to be acquired by the Offeror Concert Party Group are set out below:

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	%
Q & M Dental Group (Singapore) Limited	255,644,318	49.98	-	-
Quan Min Holdings Pte. Ltd. ⁽²⁾⁽³⁾	2,562,800	0.50	255,644,318	49.98
Dr. Ng Chin Siau ⁽⁴⁾	163,300	0.03	258,217,118	50.48
Madam Foo Siew Jiuan ⁽⁵⁾	10,000	0.002	163,300	0.03
Professor Chew Chong Yin	100,000	0.02	-	-
Dr. Ang Ee Peng Raymond	6,000	0.001	-	-

Notes:

- (1) The shareholding percentages are computed based on 511,522,048 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Quan Min Holdings Pte. Ltd. is deemed to be interested in Q & M Dental Group (Singapore) Limited's shares by virtue of its 52.72% shareholdings in Q & M Dental Group (Singapore) Limited.
- (3) 2,000,000 shares of the direct interest of Quan Min Holdings Pte. Ltd. are held through the nominee account with OCBC Securities Private Limited.
- (4) Dr. Ng Chin Siau is deemed interested in an aggregate of 258,207,118 shares held by Q & M Dental Group (Singapore) Limited and Quan Min Holdings Pte. Ltd. by virtue of his 49.80% shareholding in Quan Min Holdings Pte. Ltd.. He is also deemed interested in 10,000 shares held by his spouse, Madam Foo Siew Jiuan.
- (5) Madam Foo Siew Jiuan is deemed interested in the 163,300 shares held by her spouse, Dr. Ng Chin Siau.

2. Dealings in Company Securities during the Reference Period

As at the Latest Practicable Date, based on information available to the Offeror, the details of the dealings in Company Securities by the Offeror Concert Party Group during the Reference Period are set out below:

Name	Date	No. of Shares Acquired	No. of Shares Sold	Transaction Price per Share (S\$)
Q & M Dental Group (Singapore) Limited	30 April 2025 ⁽¹⁾	87,973,480	-	0.0321 ⁽¹⁾

Note:

- (1) This relates to the Security Enforcement and the transaction price per Share in the table above is derived based on VWAP of S\$0.0321 per Share for trades done on 22 April 2025, being the last full market day on which the Shares were traded on the SGX-ST up to the trading halt on 28 April 2025.

APPENDIX F – ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1. No Indemnity Arrangements

Save as disclosed in this Offer Document, to the best knowledge of the Offeror as at the Latest Practicable Date, neither the Offeror nor any of its Concert Parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.

1.2. No Agreement having any Connection with or Dependence upon the Offer

Save as disclosed in this Offer Document, to the best knowledge of the Offeror as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Offeror or any of its Concert Parties, and (b) any of the present or recent directors of the Company or the present or recent Shareholders having any connection with or dependence upon the Offer.

1.3. Transfer of Offer Shares

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of their related corporations or for the purpose of granting security in favour of financial institutions which have extended credit facilities to them.

1.4. No Payment or Benefit to Directors of the Company

As at the Latest Practicable Date, no payment or other benefit will be made or given to any director of the Company or of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.

1.5. No Agreement Conditional upon Outcome of the Offer

Save as disclosed in this Offer Document, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer.

1.6. Financing arrangements and security interests over or borrowing / lending of Company Securities

As at the Latest Practicable Date, QMH has granted a charge in favour of OCBC over 2,000,000 Shares, representing approximately 0.39% of the Shares of the Company.

Save as disclosed in this Offer Document, as at the Latest Practicable Date, none of the Offeror Concert Party Group has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold), or (iii) lent any Company Securities to another person.

1.7. Transfer Restrictions

There is no restriction in the Constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.

APPENDIX F – ADDITIONAL GENERAL INFORMATION

1.8. No Material Change in Information

Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

2.1. Costs and Expenses

All costs and expenses of or incidental to the Offer including the preparation and circulation of this Offer Document and the Acceptance Forms (other than professional fees and other costs relating to the Offer or any revision thereof incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

2.2. Registrar's Consent

Tricor Barbinder Share Registration Services, as the share registrar of the Company, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Offer Document.

3. MARKET QUOTATIONS

3.1. Closing Prices

The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (a) 9 May 2025, being the last trading date prior to the Latest Practicable Date, (b) 22 April 2025, being the Last Trading Date, and (c) the last Market Day of each month from October 2024 to March 2025, being six (6) calendar months prior to the Offer Announcement Date:

	Closing Price ⁽¹⁾ (S\$)	Discount / (Premium to) Closing Price ⁽²⁾ (%)
9 May 2025 (being the last trading date prior to the Latest Practicable Date) ⁽³⁾	0.0680	52.79%
22 April 2025 (being the Last Trading Date)	0.0300	(7.00)%
March 2025 ⁽⁴⁾	0.0370	13.24%
February 2025	0.0420	23.57%
January 2025 ⁽⁵⁾	0.0440	27.05%
December 2024 ⁽⁶⁾	0.0470	31.70%
November 2024 ⁽⁷⁾	0.0450	28.67%
October 2024 ⁽⁸⁾	0.0450	28.67%

Notes:

- (1) The historical traded prices are rounded to the nearest four (4) decimal places. The historical traded prices and the corresponding discount are computed based on data extracted from Bloomberg L.P..
- (2) Percentages rounded to the nearest two (2) decimal places.
- (3) No Shares were transacted on the SGX-ST during 12 May 2025. The closing price disclosed in the table is based on the closing price on 9 May 2025.

APPENDIX F – ADDITIONAL GENERAL INFORMATION

- (4) No Shares were transacted on the SGX-ST during 27 March 2025 and 31 March 2025. The closing price disclosed in the table is based on the closing price on 26 March 2025, being the last Market Day on which the Shares were transacted in March 2025.
- (5) No Shares were transacted on the SGX-ST during 24 January 2025 and 31 January 2025. The closing price disclosed in the table is based on the closing price on 23 January 2025, being the last Market Day on which the Shares were transacted in March 2025.
- (6) No Shares were transacted on the SGX-ST during 27 December 2024 and 31 December 2024. The closing price disclosed in the table is based on the closing price on 26 December 2024, being the last Market Day on which the Shares were transacted in December 2024.
- (7) No Shares were transacted on the SGX-ST during 21 November 2024 and 30 November 2024. The closing price disclosed in the table is based on the closing price on 20 November 2024, being the last Market Day on which the Shares were transacted in November 2024.
- (8) No Shares were transacted on the SGX-ST during 29 October 2024 and 31 October 2024. The closing price disclosed in the table is based on the closing price on 28 October 2024, being the last Market Day on which the Shares were transacted in October 2024.

3.2. Highest and Lowest Prices

The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six (6) calendar months prior to the Offer Announcement Date in which the Shares were traded on the SGX-ST (being October 2024 to March 2025) and ending on the Latest Practicable Date, and their respective dates transacted are as follows:

	Price (S\$)	Date(s) transacted
Highest closing price	0.0680	8 May 2025, 9 May 2025 (being the last trading date prior to the Latest Practicable Date) ⁽¹⁾
Lowest closing price	0.0300	4 April 2025, 17 April 2025, 22 April 2025

Note:

- (1) No Shares were transacted on the SGX-ST during 12 May 2025. The closing price disclosed in the table is based on the closing price on 9 May 2025.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, Republic Plaza, Tower 1, #26-01, Singapore 048619 during normal business hours, while the Offer remains open for acceptance:

- (a) the Offer Announcement and Offer Document; and
- (b) the letter of consent of Tricor Barbinder Share Registration Services referred to in paragraph 2.2 (Registrar's Consent) of this **Appendix F**.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

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 2024.

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
 Professor Chew Chong Yin
 Mr Lim Yeow Hua
 Mr Tan Teck Koon
 Dr Ang Ee Peng Raymond (director alternate 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	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
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	497,627,089
Mr Chew Chong Yin	25,000	25,000	–	–
Ultimate parent company – <u>Quan Min Holdings Pte. Ltd.</u>				
Dr Ng Chin Siau	199,985,714	199,985,714	–	–
Dr Ang Ee Peng Raymond	12,783,551	12,783,551	–	–

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

The directors' interests as at 21 January 2025 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

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 the Group’s compensation plan, is designed to reward and retain eligible participants whose services are important to the Group’s 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 Option 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 Option 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.

An Option Scheme Committee (the “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 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 Option Scheme shall not exceed 10% of the shares available under the 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.

STATEMENT BY DIRECTORS

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

Share options (cont'd)

(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.

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 the Group's compensation plan, is designed to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Group. Through the Plan, the Group 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 including controlling shareholders or their associates are 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.

STATEMENT BY DIRECTORS

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

Performance share plan (cont'd)

A Share Plan Committee is charged with the administration of the Plan in accordance with the rules of the Plan. The Plan 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 Share Plan 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 Share 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 Share 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 4 September 2024, the Company issued 1,962,880 ordinary shares from its treasury shares to 16 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.

6. Independent auditor

RSM SG Assurance 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 Lim Yeow Hua (Chairman)	(Non-Executive and Independent Director)
Mr Tan Teck Koon	(Non-Executive and Independent Chairman)
Professor Chew Chong Yin	(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.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

STATEMENT BY DIRECTORS

7. Report of audit committee (cont'd)

- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational, compliance and information technology controls and risk management) and the assistance given by management to them.
- 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 RSM SG Assurance 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, 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 2024 to address the risks that the Company considers relevant and material to its operations.

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 2025, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

.....
Dr Ng Chin Siau
Director

.....
Lim Yeow Hua
Director

8 April 2025

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

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 2024, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and 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 material accounting policy information.

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 2024 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 Note 2C "Assessment of the 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

As at 31 December 2024, the carrying value of the Group's goodwill amounted to \$52,357,000 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 and whenever there is an indication that it may be impaired. 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 management to exercise judgements in estimating 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 value 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. As these estimates require management's judgement and there are estimation uncertainties over the appropriate terminal growth rate and discount rate applied to the projected cashflows, the determination of the recoverable amounts is a key focus area for our audit.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

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 management's assessment process is judgemental 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, including our internal valuation specialists, 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 reviewed the appropriateness of management's methodology, the reasonableness of expectations and the discount rates used in the impairment assessment and tested the mechanical accuracy of the computations.

We also assessed the adequacy of the disclosures in the financial statements 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 associates

Please refer to Note 2A "Associates" and "Carrying amounts of non-financial assets" for relevant accounting policies, Note 2C "Assessment of the impairment loss on subsidiaries and associate" 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

As at 31 December 2024, the Group and the Company have investments in associates of \$26,208,000 and \$33,832,000 respectively that is substantially in Aoxin Q & M Dental Group Limited ("Aoxin Q & M"). The carrying value of the investments in associates accounted for approximately 11% and 18% of the Group and the Company's total assets as at the end of the reporting year respectively. As the balances are significant and the estimation of recoverable amount involved management's judgement, they are a key focus area of our audit.

An impairment assessment is performed when there are indications of impairment. Management engaged an independent 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 value would be recognised as an impairment loss in profit or loss.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Q & M DENTAL GROUP (SINGAPORE) LIMITED

Key audit matters (cont'd)

(b) Assessment of impairment of investment in associates (cont'd)

How we addressed the matter in our audit

We assessed management's process for the selection of its appointed independent 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 Aoxin Q & M'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 appropriateness of management's methodology, the reasonableness of expectations and the discount rates used in the impairment assessment and tested the mechanical accuracy of the computations.

We also assessed on the adequacy of disclosures in the financial statements 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.

(c) Assessment of impairment on inventories

Please refer to Note 2A "Inventories" for relevant accounting policies, Note 2C "Assessment of loss allowance 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 \$10,587,000 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 obsolete, if their selling prices have declined below carrying amounts.

The estimation of allowance for inventories is based on the age of these inventories, prevailing market conditions in the industry and historical allowance experience which requires management's judgement. In particular, management exercised judgement in the areas relating to inventory allowance based on inventory aging and expected draw down of the inventory. The methodology relies upon assumptions made in determining appropriate allowance of inventories. Management reassessed the methodology regularly and after taking into consideration recent developments in the industry, they are 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) discussing with management on the appropriateness of their basis and approach towards determining allowance for inventories; (b) verifying of the net realisable value of the inventories by considering post year-end sales to identify any sales made at a loss; (c) reviewing the inventory turnover days and aging of the inventories to assess if there were any significant build-up of aged inventories; (d) assessing the expected draw down and utilisation of inventory; and (e) 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. We evaluated the adequacy of the disclosures included in the financial statements.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Q & M DENTAL GROUP (SINGAPORE) LIMITED

Key audit matters (cont'd)

(d) Assessment of impairment on profit guarantee receivables

Please refer to Note 2A "Financial instruments" for relevant accounting policies, Note 2C "Assessment of loss allowance on profit guarantee receivables" for discussion of significant accounting estimates, and Notes 19 on "Trade and other receivables" for the key assumptions used in impairment testing of profit guarantee receivables.

Key Audit Matter

As at 31 December 2024, the Group and the Company have profit guarantee receivables, net of allowance for impairment, of \$15,974,000 and \$14,421,000 respectively. Included in the profit guarantee receivables are amounts totalling \$14,421,000 due from a director and certain executive officers of an associate. These amounts are secured by escrow and share security agreements entered with the associate's director and executive officers whereby the associate's shares owned by them are pledged to the Group. The decline in the market value of the associate's share price has resulted in a shortfall in the value of the pledged shares compared with the amounts receivable. There are uncertainties over the recoverability of the receivables of \$14,421,000 in full if the associate's director and executive officers do not have the financial ability to repay the shortfall, if any, arising from the realisation of the pledged shares.

The assessment of recoverability of the abovementioned receivables requires management to exercise significant judgement in assessing the associate's director and executive officers' ability to repay the outstanding receivables. In determining the recoverability of the receivables, management takes into consideration the estimated market value of the pledged shares and other assets owned by the director and executive officers of the associate concerned.

How we addressed the matter in our audit

We reviewed and considered management's judgement in assessing the recoverability of the profit guarantee receivables. Our audit procedures included comparing the market value of the associate's shares that are pledged to the Group with the carrying value of the profit guarantee receivables, and assessing reasonableness of management's estimation of the market value of other assets owned by the associate's director and executive officers concerned. We also discussed with management on their plan to recover the receivable and reviewed the adequacy of the disclosures about those judgement made in the financial statements.

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.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Q & M DENTAL GROUP (SINGAPORE) LIMITED

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.

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.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF Q & M DENTAL GROUP (SINGAPORE) LIMITED

Auditor’s responsibilities for the audit of the financial statements (cont’d)

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.

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 SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

8 April 2025

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

Year Ended 31 December 2024

	<u>Notes</u>	<u>Group</u>	
		<u>2024</u>	<u>2023</u>
		\$'000	\$'000
Revenue	5	180,674	182,723
Interest income		–	61
Other income and gains	9	1,741	90
Consumables, dental equipment and dental supplies used		(20,428)	(21,319)
Employee benefits expense	6	(105,886)	(108,853)
Depreciation and amortisation expense	13, 17 & 26	(17,976)	(17,776)
Finance costs	7	(5,372)	(5,655)
Other expenses	8	(12,108)	(12,514)
Other losses	9	(6,400)	(3,010)
Share of profit (loss) from equity-accounted associates	15	507	(83)
Profit before tax from continuing operations		14,752	13,664
Income tax expense	10	(1,686)	(2,591)
Profit from continuing operations, net of tax		13,066	11,073
<u>Other comprehensive income (loss):</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation, net of tax		639	(1,169)
Other comprehensive income (loss) for the year, net of tax		639	(1,169)
Total comprehensive income		13,705	9,904
Profit attributable to owners of the parent, net of tax		14,637	11,517
Loss attributable to non-controlling interests, net of tax		(1,571)	(444)
Profit net of tax		13,066	11,073
Total comprehensive income attributable to owners of the parent		15,208	10,437
Total comprehensive loss attributable to non-controlling interests		(1,503)	(533)
Total comprehensive income		13,705	9,904
Earnings per share			
		<u>Cents</u>	<u>Cents</u>
Basic and diluted – continuing operations	11	1.55	1.22

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	37,056	37,611	1,092	1,282
Right-of-use assets	26	38,182	46,575	1,389	1,644
Investments in subsidiaries	14	–	–	59,980	61,018
Investments in associates	15	26,208	24,587	33,832	27,913
Goodwill	16	52,357	54,183	–	–
Other intangible assets	17	427	4,696	–	–
Other receivables	19	2,933	2,356	2,032	1,303
Other non-financial assets	20	6,549	7,988	2,864	3,247
Total non-current assets		<u>163,712</u>	<u>177,996</u>	<u>101,189</u>	<u>96,407</u>
Current assets					
Inventories	18	10,587	11,812	–	–
Trade and other receivables	19	35,981	31,172	86,034	90,208
Other non-financial assets	20	3,151	3,615	1,321	1,391
Cash and cash equivalents	21	34,342	33,993	3,867	5,430
Total current assets		<u>84,061</u>	<u>80,592</u>	<u>91,222</u>	<u>97,029</u>
Total assets		<u>247,773</u>	<u>258,588</u>	<u>192,411</u>	<u>193,436</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	(10,855)	(11,535)	(10,855)	(11,535)
Retained earnings		33,674	27,841	17,981	11,048
Other reserves	23	(3,407)	(3,993)	–	–
Equity attributable to owners of the parent		<u>106,170</u>	<u>99,071</u>	<u>93,884</u>	<u>86,271</u>
Non-controlling interests		2,337	3,840	–	–
Total equity		<u>108,507</u>	<u>102,911</u>	<u>93,884</u>	<u>86,271</u>
Non-current liabilities					
Provisions	25	985	975	–	–
Deferred tax liabilities	10	2,518	2,992	–	–
Lease liabilities	26	30,714	39,243	1,185	1,461
Other financial liabilities	28	73,239	79,181	67,167	75,402
Total non-current liabilities		<u>107,456</u>	<u>122,391</u>	<u>68,352</u>	<u>76,863</u>
Current liabilities					
Income tax payable		1,762	2,218	13	84
Lease liabilities	26	10,923	10,742	258	242
Trade and other payables	27	18,621	19,221	29,658	29,730
Other financial liabilities	28	504	1,105	246	246
Total current liabilities		<u>31,810</u>	<u>33,286</u>	<u>30,175</u>	<u>30,302</u>
Total liabilities		<u>139,266</u>	<u>155,677</u>	<u>98,527</u>	<u>107,165</u>
Total equity and liabilities		<u>247,773</u>	<u>258,588</u>	<u>192,411</u>	<u>193,436</u>

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2024

Group:	Total equity \$'000	Attributable to parent subtotal \$'000	Share capital \$'000	Retained earnings \$'000	Treasury shares \$'000	Other reserves \$'000	Non- controlling interests \$'000
Current year:							
Balance at 1 January 2024	102,911	99,071	86,758	27,841	(11,535)	(3,993)	3,840
Changes in equity:							
Total comprehensive income for the year	13,705	15,208	–	14,637	–	571	(1,503)
Deemed disposal of subsidiary (Note 29)	15	15	–	–	–	15	–
Issuance of ordinary shares (Note 22)	680	680	–	–	680	–	–
Dividends paid (Note 12)	(8,804)	(8,804)	–	(8,804)	–	–	–
Closing balance at 31 December 2024	108,507	106,170	86,758	33,674	(10,855)	(3,407)	2,337
Previous year:							
Balance at 1 January 2023	102,248	96,490	86,758	24,163	(11,535)	(2,896)	5,758
Changes in equity:							
Total comprehensive income for the year	9,904	10,437	–	11,517	–	(1,080)	(533)
Disposal of subsidiary (Note 29)	(88)	(17)	–	–	–	(17)	(71)
Dividends paid to non-controlling interest	(1,960)	(646)	–	(646)	–	–	(1,314)
Dividends paid (Note 12)	(7,193)	(7,193)	–	(7,193)	–	–	–
Closing balance at 31 December 2023	102,911	99,071	86,758	27,841	(11,535)	(3,993)	3,840

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

<u>Company:</u>	<u>Total equity</u> \$'000	<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Retained earnings</u> \$'000
Current year:				
Balance at 1 January 2024	86,271	86,758	(11,535)	11,048
Changes in equity:				
Total comprehensive income for the year	15,737	–	–	15,737
Issuance of ordinary shares (Note 22)	680	–	680	–
Dividends paid (Note 12)	(8,804)	–	–	(8,804)
Closing balance at 31 December 2024	<u>93,884</u>	<u>86,758</u>	<u>(10,855)</u>	<u>17,981</u>
Previous year:				
Opening balance at 1 January 2023	81,754	86,758	(11,535)	6,531
Changes in equity:				
Total comprehensive income for the year	11,710	–	–	11,710
Dividends paid (Note 12)	(7,193)	–	–	(7,193)
Closing balance at 31 December 2023	<u>86,271</u>	<u>86,758</u>	<u>(11,535)</u>	<u>11,048</u>

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	14,752	13,664
Adjustments for:		
Interest income	–	(61)
Interest expense	5,372	5,655
Depreciation of plant and equipment and amortisation expenses	5,025	5,083
Depreciation of right-of-use assets	12,951	12,693
Gain on disposal of plant and equipment, net	26	–
Gain on disposal of subsidiary	(436)	(77)
Impairment allowance on plant and equipment – loss (reversal)	2,643	(13)
Impairment allowance on right-of-use asset	126	–
Impairment allowance for goodwill	2,535	2,391
Impairment allowance on intangible assets	100	–
Foreign exchange adjustment, net	404	(406)
Plant and equipment written-off	253	193
Share of results from equity – accounted associates	(507)	83
Operating cash flows before changes in working capital	43,244	39,205
Inventories	1,250	(747)
Trade and other receivables	(1,645)	(4,347)
Other non-financial assets, current	342	698
Trade and other payables	(495)	34
Net cash flows from operations	42,696	34,843
Income taxes paid	(2,598)	(1,583)
Net cash flows from operating activities	40,098	33,260
Cash flows used in investing activities		
Purchase of property, plant and equipment	(7,952)	(5,735)
Disposal of plant and equipment	889	307
Purchase of intangible assets	(152)	(811)
Other receivables	304	48
Other non-financial assets, non-current	2,414	(717)
Other receivables, non-current	(577)	(182)
Disposal of subsidiary (Net of cash disposed) (Note 29)	(433)	74
Interest received	–	61
Acquisition of subsidiary (Note 30)	(800)	–
Net cash flows used in investing activities	(6,307)	(6,955)

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	\$'000	\$'000
Cash flows used in financing activities		
Dividends paid to equity owners (Note 12)	(8,804)	(7,193)
Lease liabilities – principal portion paid	(12,853)	(12,438)
Lease liabilities – interest paid	(1,648)	(1,670)
Proceeds from issuance of ordinary shares (Note 22 ^(a))	130	–
Proceeds from term loans	2,480	–
Proceeds from finance lease	36	–
Bill payable	(620)	620
Finance lease repayments	(53)	(20)
Repayment of bank loans	(8,386)	(5,364)
Interest paid	(3,724)	(3,985)
Dividends paid to non-controlling interest	–	(1,960)
Net cash flows used in financing activities	<u>(33,442)</u>	<u>(32,010)</u>
Net increase (decrease) in cash and cash equivalents in continuing operations	349	(5,705)
Cash and cash equivalents, statement of cash flows, beginning balance of the year	<u>33,993</u>	<u>39,698</u>
Cash and cash equivalents, statement of cash flows, ending balance of the year (Note 21)	<u><u>34,342</u></u>	<u><u>33,993</u></u>

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

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. General information

Q & M Dental Group (Singapore) Limited (Registration No. 200800507R) (the “Company”) is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The financial statements are presented in Singapore Dollars and they cover the Company and the subsidiaries (collectively, the “Group”). All information in these financial statements are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

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.

The principal activities of the subsidiaries are described in 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.

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 Accounting Standards Committee under ACRA (“ASC”). They comply with the provisions of the Companies Act 1967 and with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis of preparation of the financial statements

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 presentation and principles of consolidation

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, 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. They are de-consolidated from the date that control ceases.

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 fair value at the date when control is lost and is subsequently accounted as equity investments financial assets 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.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Revenue and income

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), 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.

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

Revenue from service orders and term projects is 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. For services that are not material transactions revenue is recognised as the services are provided.

Rental income is recognised on a straight-line basis over the term of the relevant lease, 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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Borrowing costs

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

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.

Translation of financial statements of other entities

Each entity 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 a reporting entity for incorporation in the combined 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 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

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 income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. 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, branches and associates, and joint arrangements 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

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 method 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 (or, for certain leased assets, the shorter lease term).

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.

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.

Lease of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the 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 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

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.

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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.

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.

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.

The useful life is as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

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. 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.

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. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Carrying amounts of non-financial assets

The carrying amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first in first out method. 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 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. 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. 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.

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- 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 liabilities are categorised as 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 2024

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Cash and cash equivalent

“Cash” comprises cash on hand and demand deposits. 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 (three months or less), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

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 (e.g. 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 (i.e. as prices) or indirectly (i.e. 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 material 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.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information

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 to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. 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.

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. Judgements and sources of estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the in the corresponding Notes to these financial statements. 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 the impairment of goodwill:

The amount of goodwill is tested annually for impairment. This annual impairment test is material and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. Small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates. The disclosures about goodwill are in Note 16.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2C. Judgements and sources of estimation uncertainties (cont'd)

Assessment of the impairment loss on subsidiaries and associate:

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 amounts of investment in subsidiaries and investment in associate at the end of the reporting year are disclosed in Note 14 and Note 15 respectively.

Assessment of loss allowance 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, 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 Note 18.

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

The assessment of the expected credit losses 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 amounts of trade and other receivables is disclosed in Note 19.

Assessment of loss allowance on profit guarantee receivables:

The Group and the Company have profit guarantee receivables, net of allowance for impairment, of \$15,974,000 and \$14,421,000 respectively as at the end of the reporting year. Included in the profit guarantee receivables is an amount of \$14,421,000 due from a director and certain executive officers of an associate. The amount is secured by an escrow and share security agreement entered with the associate's director and executive officers whereby the associate's shares owned by them are pledged to the Group. Should the value of the pledged shares fall below the amount receivable, the recoverability of the amount may not be certain if the associate's director and executive directors does not have the financial ability to repay the shortfall if any arising from the realisation of the pledged shares. The assessment of recoverability of this receivable requires significant management judgement in assessing the associate's director's and executive officers' financial ability to repay the outstanding receivable. In determining the recoverability of the receivable, management takes into consideration the value of the pledged shares and the value of other assets owned by associate's director and executive officers. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year are different from judgement and could require a material adjustment to the carrying amount of the receivable.

APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2C. Judgements and sources of estimation uncertainties (cont'd)

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 Note 10.

Estimating 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 materially 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 property, plant and equipment at the end of the reporting year is disclosed in Note 13.

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 controlling shareholder of the Company.

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.

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP FOR FY2024**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

3B. Related party transactions

There are transactions and arrangements between the reporting entity and its 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. In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

<u>Group</u>	<u>Directors of the Company</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Rental paid / payable	<u>266</u>	<u>241</u>
	<u>Other related parties</u>	
<u>Group</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Rental paid / payable ^(a)	79	272
Services ^(b)	<u>954</u>	<u>–</u>

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

^(b) Payments to EM2AI Pte. Ltd., a 49%-owned associate, for its provision of Dental Clinic Management Software integrated with Artificial Intelligence (AI)-generated Dental Health Report.

3C. Key management compensation

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Salaries and other short-term employee benefits	<u>1,952</u>	<u>2,395</u>

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Remuneration of directors of the Company	1,273	1,542
Fees to directors of the Company	<u>129</u>	<u>309</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.

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

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.

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

	Company	
	2024	2023
	\$'000	\$'000
<u>Subsidiaries:</u>		
Balance at beginning of the year – net debit	46,089	46,042
Amounts paid out and settlement of liabilities on behalf of subsidiaries	–	47
Amounts paid in and settlement of liabilities on behalf of the Company	(1,296)	–
Balance at end of the year – net debit	44,793	46,089
Represented by:		
Other receivables (Note 19)	70,998	72,118
Other payables (Note 27)	(26,205)	(26,029)
	44,793	46,089

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.

During the reporting year, management reviewed the financial information that management used for assessment of performance and assessed that the following operating segments better represent management's evaluation, allocation of resources and assessment performance of the various business segments. For management purpose the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) core dental business, and (2) other business. 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) Core dental business comprising dentistry and distribution of dental supplies and equipment.
- (2) Other business comprising sale and distribution of Covid-19 test kits and provision of laboratory testing, family medicine, aesthetic services and others.

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

Accordingly, the presentation of the reportable segments has been changed effective for the reporting year ended 31 December 2024. The comparatives are also restated accordingly to align to the new reporting segments.

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 corporate expenses, 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 information on each product and service or each group of similar products and services is disclosed below and in Note 5.

4B. Profit or loss

	Group	
	2024	2023
	\$'000	\$'000
Segment revenue		
Core dental business	173,787	172,960
Other businesses	6,887	9,763
Total	180,674	182,723
Segment results		
Core dental business	29,935	27,717
Other businesses	(6,773)	(3,777)
Unallocated – corporate expenses	(8,917)	(10,193)
Share of profit (loss) from equity – accounted associates	507	(83)
Profit before tax from continuing operations	14,752	13,664
Income tax expense	(1,686)	(2,591)
Profit from continuing operations, net of tax	13,066	11,073

4C. Assets and reconciliation

	Group	
	2024	2023
	\$'000	\$'000
Segment assets		
Core dental business	216,814	216,556
Other businesses	4,751	17,445
Unallocated – investment in associates	26,208	24,587
Total	247,773	258,588

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

4D. Liabilities and reconciliation

	Group	
	2024	2023
	\$'000	\$'000
Segment liabilities		
Core dental business	138,360	152,406
Other businesses	906	3,271
Total	<u>139,266</u>	<u>155,677</u>

4E. Other material items and reconciliations

	Group	
	2024	2023
	\$'000	\$'000
Impairment of assets – loss		
Other businesses	<u>(6,054)</u>	<u>(2,730)</u>

Expenditure for non-current assets		
Core dental business	7,898	5,618
Other businesses	64	325
Total	<u>7,962</u>	<u>5,943</u>

Depreciation of property, plant and equipment and amortisation of intangible assets		
Core dental business	4,308	4,080
Other businesses	717	1,003
Total	<u>5,025</u>	<u>5,083</u>

Depreciation of right-of-use assets		
Core dental business	12,177	11,992
Other businesses	774	701
Total	<u>12,951</u>	<u>12,693</u>

Finance costs		
Core dental business	5,336	5,626
Other businesses	36	29
Total	<u>5,372</u>	<u>5,655</u>

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

4F. Geographical information

	Group	
	2024	2023
	\$'000	\$'000
Revenue		
Singapore	167,319	171,438
Malaysia	13,355	11,116
China	–	169
Total	<u>180,674</u>	<u>182,723</u>
Non-current assets		
Singapore	133,756	147,914
Malaysia	4,799	5,487
China	25,157	24,595
Total	<u>163,712</u>	<u>177,996</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

There were no customers with revenue of over 10% of the Group's revenue for the reporting year ended 31 December 2024.

5. Revenue

	Group	
	2024	2023
	\$'000	\$'000
Rendering of services	168,912	171,016
Sale of goods	7,384	8,277
Profit guarantee income	2,842	2,388
Rental income (Note 31)	507	503
Other income	1,029	539
Total revenue	<u>180,674</u>	<u>182,723</u>

The revenue is primarily from rendering of dental services and sales of goods and they are mainly recognised based on point in time. The customers for the core dental business segment are mainly individuals and private dental clinics (for the dental equipment and supplies distribution). Other businesses segment is mainly individuals and 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 or associates and the actual performance of the acquired subsidiaries or associates.

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. Employee benefits expense

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Short term employee benefits expense	100,667	103,985
Contributions to defined contribution plan	4,417	4,261
Share-based payments: equity settled (Note 24)	314	44
Other benefits	488	563
Total employee benefits expense	<u>105,886</u>	<u>108,853</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.

7. Finance costs

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Interest expense	3,724	3,985
Interest on lease liabilities (Note 26)	1,648	1,670
Total finance costs	<u>5,372</u>	<u>5,655</u>

8. Other expenses

The major components and other selected components include the following:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Legal and professional fees	1,756	1,481
NETS and credit card transaction charges	2,425	2,362
Repair and maintenance	1,533	1,696
Utilities	<u>1,034</u>	<u>1,095</u>

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

9. Other income and gains and (other losses)

	Group	
	2024	2023
	\$'000	\$'000
Compensation from vendors ^(c)	1,247	–
Gain on deemed disposal of subsidiary (Note 29)	436	77
Foreign exchange adjustment losses	57	(87)
Impairment allowance for goodwill ^(a)	(2,535)	(2,391)
Impairment allowance on plant and equipment – (loss) reversal ^(a) (Note 13)	(2,643)	13
Impairment allowance on intangible assets (Note 17)	(100)	–
Impairment allowance on inventories (Note 18) ^{(a), (b)}	(504)	(339)
Impairment allowance on right-of-use assets ^(a)	(126)	–
Impairment allowance for receivables ^(a)	(212)	–
Loss on disposal of plant and equipment	(26)	–
Plant and equipment written off	(253)	(193)
Net	<u>(4,659)</u>	<u>(2,920)</u>
Presented in profit or loss as:		
Other income and gains	1,741	90
Other losses	(6,400)	(3,010)
Net	<u>(4,659)</u>	<u>(2,920)</u>

^(a) As disclosed in Note 16, the Group recognised an impairment loss of \$2,535,000 (2023: \$2,391,000) during the reporting year ended 31 December 2024 to fully write down the goodwill arose from the acquisition of Acumen Diagnostics Pte. Ltd. and its subsidiary, Acumen Research Laboratories Pte. Ltd.. In addition, the Group recognised impairment loss totalling \$3,518,000 to write down the carrying value of these subsidiaries' assets including plant and equipment, right-of-use assets, inventories and intangible assets to their recoverable values.

^(b) During the reporting year ended 31 December 2024, the Group recognised an allowance of \$437,000 (2023: \$339,000) to write down certain of its Covid-19 related inventories and consumables following Singapore's lifting of Covid-19 related restrictions.

^(c) During the reporting year ended 31 December 2024, the Group recognised compensation income of \$1,247,000 following the settlement of profit guarantee from the vendors of its former subsidiary, Shanghai Chuangyi Investment and Management Co., Ltd..

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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10. Income tax expense

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

	Group	
	2024	2023
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	2,079	1,927
Under (over) adjustments in respect of prior years	81	(402)
Subtotal	<u>2,160</u>	<u>1,525</u>
<u>Deferred tax (income) expense:</u>		
Deferred tax (income) expense	(294)	326
(Over) under adjustments in respect of prior years	(180)	740
Subtotal	<u>(474)</u>	<u>1,066</u>
Total income tax expense	<u>1,686</u>	<u>2,591</u>

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% (2023: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	14,752	13,664
Share of (profit) loss from equity-accounted associates	(507)	83
	<u>14,245</u>	<u>13,747</u>
Income tax expense at the above rate	2,422	2,337
Effect of different tax rates in different countries	89	(116)
Expenses not deductible for tax purposes	1,199	1,070
Income not subject to tax	–	(80)
Stepped income exemptions and tax rebates	(1,830)	(1,658)
Unrecognised deferred tax assets	–	398
(Over) under adjustments in respect of prior years	(99)	338
Other minor items less than 3% each	(95)	302
Total income tax expense	<u>1,686</u>	<u>2,591</u>

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

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10. Income tax expense (cont'd)

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

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Allowance for impairment on goodwill	2,535	2,391
Allowance for impairment on inventories	<u>504</u>	<u>339</u>

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>From deferred tax liabilities recognised in profit or loss:</u>		
Excess of carrying value of plant and equipment over tax values	581	696
Deferred tax associated with right-of-use assets	(1,202)	(28)
Deferred tax associated with lease liabilities	1,218	–
Unrecognised deferred tax assets	(1,071)	398
Total deferred tax (income) expense recognised in profit or loss	<u>(474)</u>	<u>1,066</u>

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Deferred tax liabilities recognised in profit or loss:</u>		
Excess of carrying value of plant and equipment over tax values	(3,068)	(2,487)
Deferred tax associated with right-of-use assets	(6,490)	(7,692)
Deferred tax associated with lease liabilities	7,040	8,258
Unrecognised deferred tax assets	–	(1,071)
Total deferred tax liabilities	<u>(2,518)</u>	<u>(2,992)</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.

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NOTES TO THE FINANCIAL STATEMENTS

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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	
	2024	2023
	\$'000	\$'000
Numerators: earnings attributable to equity		
Continuing operations: Profit attributable to equity holders	14,637	11,517
	'000	'000
Denominators: weighted average number of equity shares		
Basic and diluted	947,355	946,443

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 years 2024 and 2023.

12. Dividends on equity shares

	Group	
	2024	2023
	\$'000	\$'000
Interim tax exempt dividend paid of 0.93 (2023: 0.76) cents per share	8,804	7,193

Subsequent to the reporting year ended 31 December 2024, the directors proposed that a 2nd interim dividend of 0.70 cent per share in respect of the current year with a total of \$6,642,000 be paid to shareholders on 26 March 2025. There are no income tax consequences.

**APPENDIX G – AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13. Property, plant and equipment

<u>Group</u>	<u>Leasehold improvements</u>	<u>Furniture and fittings and equipment</u>	<u>Leasehold properties</u>	<u>Motor vehicles</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>					
At 1 January 2023	11,903	36,439	15,708	188	64,238
Additions	587	5,325	–	31	5,943
Disposals / written off	(117)	(2,088)	–	–	(2,205)
Arising from disposal of subsidiary (Note 29)	(361)	(294)	–	–	(655)
Foreign currency translation adjustment	(143)	(261)	–	(9)	(413)
At 31 December 2023	11,869	39,121	15,708	210	66,908
Additions	554	3,833	3,534	41	7,962
Arising from acquisition of subsidiaries	–	70	–	–	70
Disposals / written off	(335)	(2,835)	(94)	–	(3,264)
Arising from deconsolidation of subsidiary (Note 29)	–	(367)	–	–	(367)
Foreign currency translation adjustment	126	325	–	7	458
At 31 December 2024	12,214	40,147	19,148	258	71,767
<u>Accumulated depreciation and impairment losses:</u>					
At 1 January 2023	3,483	22,669	1,079	78	27,309
Depreciation for the year	1,002	3,104	220	38	4,364
Disposals / written off	(89)	(1,598)	–	–	(1,687)
Arising from disposal of subsidiary (Note 29)	(227)	(270)	–	–	(497)
Impairment reversal	(13)	–	–	–	(13)
Foreign currency translation adjustment	(54)	(119)	–	(6)	(179)
At 31 December 2023	4,102	23,786	1,299	110	29,297
Depreciation for the year	967	3,341	235	44	4,587
Disposals / written off	(99)	(1,774)	(36)	–	(1,909)
Arising from deconsolidation of subsidiary (Note 29)	–	(118)	–	–	(118)
Impairment	2,643	–	–	–	2,643
Foreign currency translation adjustment	55	156	–	–	211
At 31 December 2024	7,668	25,391	1,498	154	34,711
<u>Carrying value:</u>					
At 1 January 2023	8,420	13,770	14,629	110	36,929
At 31 December 2023	7,767	15,335	14,409	100	37,611
At 31 December 2024	4,546	14,756	17,650	104	37,056

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31 DECEMBER 2024

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

<u>Company</u>	Furniture and fittings and office equipment \$'000
<u>Cost:</u>	
At 1 January 2023	2,107
Additions	455
At 31 December 2023	2,562
Additions	5
At 31 December 2024	2,567
<u>Accumulated depreciation:</u>	
At 1 January 2023	1,118
Depreciation for the year	162
At 31 December 2023	1,280
Depreciation for the year	195
At 31 December 2024	1,475
<u>Carrying value:</u>	
At 1 January 2023	989
At 31 December 2023	1,282
At 31 December 2024	1,092

As at the end of the reporting year, the carrying value of the Group's leasehold properties that are mortgaged as security for the bank facilities (See Note 28A) was approximately \$17,650,000 (2023: \$14,409,000).

14. Investments in subsidiaries

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Cost:</u>		
At the beginning of the year	69,065	71,543
Disposals ^(p)	(100)	(2,478)
At end of the year	68,965	69,065
<u>Allowance for impairment:</u>		
At the beginning of the year	(8,047)	(10,105)
Disposals ^(p)	100	2,478
Charged to profit or loss included in other losses ^(#)	(1,038)	(420)
At end of the year	(8,985)	(8,047)
<u>Carrying value:</u>		
At beginning of the year	61,018	61,438
At end of the year	59,980	61,018

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14. Investments in subsidiaries (cont'd)

	Company	
	2024	2023
	\$'000	\$'000
Analysis of above amount denominated in non-functional currency:		
United States Dollars	411	411
Malaysian Ringgit	5,152	5,152

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

The following subsidiaries are wholly owned by the Group:

<u>Name of subsidiaries</u>	Cost in books of Group	
	2024	2023
	\$'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
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

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14. Investments in subsidiaries (cont'd)

The following subsidiaries are wholly owned by the Group (cont'd):

<u>Name of subsidiaries</u>	<u>Cost in books of Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Held by Company (cont'd)		
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)	— ^(a)	— ^(a)
Q & M Dental Holdings (Malaysia) Pte. Ltd. ^(c)	— ^(a)	— ^(a)
EM2AI Pte. Ltd. ^{(i)(p)}	—	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)(i)(l)}	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)	200	200
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

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14. Investments in subsidiaries (cont'd)

The following subsidiaries are wholly owned by the Group (cont'd):

<u>Name of subsidiaries</u>	<u>Cost in books of Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Held by Company (cont'd)		
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.	100	100
Q & M Dental Surgery (Azure) Pte. Ltd. ^(a)	– ^(a)	–
Held through subsidiaries		
Dentmedix Pte. Ltd. ^{(b)(e)(n)}	164	164
Quantumleap Healthcare Pte. Ltd. ^(e)	150	150
Q & M Dental Holdings (Malaysia) Sdn. Bhd. ^{(c)(j)(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)
EM2AI Sdn. Bhd. ^{(i)(l)(o)(p)}	– ^(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)

- (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.

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14. Investment in subsidiaries (cont'd)

- (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 SG Assurance 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 SG Assurance LLP in Singapore is a member.
- (l) Incorporated in Malaysia.
- (m) Incorporated in the People's Republic of China.
- (n) Not material and not audited for the purpose of the consolidated financial statements.
- (o) Audited by other independent auditors, YYC & Co. PLT, a firm of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.
- (p) On 5 March 2024, the Group entered into a joint venture agreement ("JV agreement") with EM2AI Professional Holdco Pte. Ltd. (the "Investor") and its wholly owned subsidiary, EM2AI Pte. Ltd. ("EM2AI"), pursuant to which the Investor has agreed to invest an aggregate of \$1,606,500 fresh funds into EM2AI for an effective shareholding interest of 51% in EM2AI after the Group capitalised a loan of \$1,443,500 to EM2AI as additional paid up capital in EM2AI. This reduced the Group's equity interest in the EM2AI from 100% to 49%. Following which, EM2AI become an associate of the Group and the Group deconsolidated EM2AI and recognised a gain of \$436,000 (Notes 9 and 29) on deemed disposal of subsidiary (see Note 29). The cost of investment net of allowance for impairment in the Company's financial statements has been reclassified to investment in associate (see Note 15(iv)).
- (q) The Group incorporated the subsidiary on 6 November 2024 to acquire the assets from Veritas Dental Pte. Ltd. (Note 30).

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

Name of subsidiaries	Cost in books of Group		Equity held by Group	
	2024	2023	2024	2023
	\$'000	\$'000	%	%
Held by Company				
Acumen Diagnostics Pte. Ltd. ^(cc)	3,000	3,000	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 (Bandar Melaka) Sdn. Bhd. ^{(ff)(gg)}	185	185	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)(hh)}	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.
- (ee) Incorporated in People's Republic of China.
- (ff) Incorporated in Malaysia.

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14. Investment in subsidiaries (cont'd)

(gg) Audited by other independent auditors, GEP Associates, a firm of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

(hh) Not material and not audited for the purpose of the consolidated financial statements.

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 SG Assurance 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. Investments in associates

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Carrying value:				
Quoted equity shares at cost				
– Aoxin Q & M Dental Group Limited (“Aoxin Q & M”)	25,336	24,572	33,383	33,383
Unquoted equity shares at cost				
– Punggol Medical & Dental Pte. Ltd. (“PMD”)	15	15	–	–
– EM2AI Pte. Ltd. (“EM2AI”)	857	–	1,109	–
Allowance for impairment				
– Aoxin Q & M	–	–	(660)	(5,470)
	<u>26,208</u>	<u>24,587</u>	<u>33,832</u>	<u>27,913</u>
Movements in carrying value:				
Balance at beginning of the year	24,587	25,191	27,913	25,912
Addition	1,109	–	1,109	–
Foreign currency translation adjustment	5	(521)	–	–
Reversal of impairment	–	–	4,810	2,001
Share of loss for the year	507	(83)	–	–
Balance at end of the year	<u>26,208</u>	<u>24,587</u>	<u>33,832</u>	<u>27,913</u>
Movements in allowance for impairment:				
Balance at beginning of the year			5,470	7,471
Reversal of impairment			(4,810)	(2,001)
Balance at end of the year			<u>660</u>	<u>5,470</u>

The carrying value of the investments in associate, included Aoxin Q & M Dental Group Limited (“Aoxin Q & M”) amounting to \$32,723,000 (2023: \$27,913,000). Aoxin Q & M is listed on the Catalist Board of the Singapore Exchange and it was tested for impairment as at 31 December 2024 due to the substantial decline in the quoted price of its shares.

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15. Investment in associates (cont'd)

The impairment test was carried out using a discounted cash flow model covering a five-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% (2023: 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 11.0% (2023: 11.5%).

The recoverable amount has been measured based on the value in use method and it 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 decrease the carrying value of the Group's investment in Aoxin Q & M by NIL and reduce the carrying value of the Company's investment in Aoxin Q & M by \$3,972,000 respectively to its recoverable amount.

The result of the impairment test led to a reversal of allowance for impairment \$4,810,000 (2023: \$2,001,000) as the recoverable amount was higher than the carrying value of the Company's investment in associate before the reversal.

The associates held by the Group are listed below:

Name of associates	Equity held by the Group	
	2024	2023
	%	%
Held by Company		
Aoxin Q & M Dental Group Limited ("Aoxin Q & M") ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	32.78	32.79
Singapore		
Provision of private dental services and dental equipment and supplies		
EM2AI Pte. Ltd. ("EM2AI") ^(iv)	49.0	–
Singapore		
Development of dental healthcare software and equipment		
Held through subsidiaries		
Punggol Medical & Dental Pte. Ltd. ("PMD") ⁽ⁱⁱ⁾	50.0	50.0
Singapore		
Provision of general medical services		

(i) Listed on SGX-ST. The fair value based on quoted price of the shares held in the associate, Aoxin Q & M is \$4,923,000 (2023: \$10,396,000) as at end of reporting year.

(ii) Not considered material to the Group.

(iii) On 24 December 2024, Aoxin Q & M issued 233,413 ordinary shares of no par value to one of its employees. Following the issuance of these new shares, the Group's interest in Aoxin Q & M was diluted from 32.79% to 32.78%.

(iv) Refer to Note 14^(p) and Note 33 for event subsequent to the end of the reporting year.

Save as disclosed above, all other associates are audited by RSM SG Assurance LLP.

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15. Investments in associates (cont'd)

There are associates that are considered material to the Group. 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>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Aoxin Q & M</u>		
Revenue	34,305	33,098
Loss from continuing operations ^(e)	(329)	(8,832)
Other comprehensive income	9	687
Total comprehensive loss	(319)	(8,145)
Current assets	22,768	18,965
– includes cash and cash equivalents	13,059	9,557
Current liabilities – trade and other payables	(4,708)	(5,823)
Non-current assets	34,903	40,146
Non-current liabilities	(2,108)	(3,429)
Net assets of the associate	<u>49,463</u>	<u>49,860</u>
Interest at 32.78% (2023: 32.79%)	16,214	16,349
Goodwill	11,546	11,546
Other adjustments	(2,424)	(3,323)
Carrying amount of the interest in the associate	<u>25,336</u>	<u>24,572</u>

^(e) Includes Aoxin Q & M's impairment loss of NIL (2023: \$8,752,000) on investment in its associate, Acumen Diagnostics Pte Ltd ("AD") and share of results of loss of \$2,658,000 (2023: profit of \$198,000) from the associate. These are eliminated in the Group's consolidated financial statements since AD is a subsidiary of the Group.

16. Goodwill

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Cost:</u>		
Balance at beginning of the year	60,394	62,164
Addition	704	–
Arising from disposal of subsidiary (Note 29)	–	(1,655)
Effect of movement in exchange rate	116	(115)
Balance at end of the year	<u>61,214</u>	<u>60,394</u>
<u>Accumulated impairment loss allowance:</u>		
Balance at beginning of the year	(6,211)	(5,582)
Impairment loss recognised in the year included in other losses (#) (Note 9 ^(a))	(2,535)	(2,391)
Arising from disposal of subsidiary (Note 29)	–	1,655
Effect of movement in exchange rate	(111)	107
Balance at end of the year	<u>(8,857)</u>	<u>(6,211)</u>
<u>Carrying value:</u>		
Beginning of the year	<u>54,183</u>	<u>56,582</u>
End of the year	<u>52,357</u>	<u>54,183</u>

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16. Goodwill (cont'd)

(#) Following the expiry of the clinical laboratory service license in September 2024 and closure of the Joint Testing & Vaccine Centre, the Group ceased the operations of its medical laboratory in October 2024. The closure of the medical laboratory is a probable indication that the goodwill in relation to the medical laboratory is impaired. Accordingly, the Group recognised an impairment loss of \$2,535,000 (2023: \$2,391,000) to fully write down the goodwill of Acumen Diagnostics Pte. Ltd. and its subsidiary, Acumen Research Laboratories Pte. Ltd. during the reporting year ended 31 December 2024.

Over the previous years, the Group has been streamlining its operations to share common resources, management oversight, and support functions so as to improve the efficiency of the clinics and to achieve economies of scale for the Group's operations. With its centralised clinic system and the adoption of a unified technology platform, the Group has since streamlined the operations of the clinics in Singapore using a centralised operating model.

The Group's dentists and nurses work across clinics which they are allocated to, allowing the Group to maximise the use of resources and improve operational efficiency. This has also enabled management to monitor the Group's operations and performance more efficiently to better serve its patients. The Group continues to use its centralised clinic system that integrates patient information such as appointment scheduling, diagnoses, and treatment plans across various clinics in Singapore, allowing more seamless management of operations.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing.

With effect from the current reporting year, the CGU would be all the dental clinics in Singapore, except for the newly acquired dental clinics that have not been fully merged with the Group's Singapore clinic operations.

The impairment assessment of goodwill was previously performed by the various zones, namely South-Central, North, East, West, and North-East.

Goodwill was tested for impairment at the end of the reporting year. The CGU represents the Group's investment by each primary reporting segment as follows:

	Group	
	2024	2023
	\$'000	\$'000
Core dental business:		
Existing dental clinics in Singapore	51,653	51,648
Newly acquired dental clinic in Singapore during the year	704	–
Subtotal	52,357	51,648
Other business:		
Acumen Research Laboratories Pte. Ltd.	–	2,535
Subtotal	–	2,535
Total	52,357	54,183

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.

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16. Goodwill (cont'd)

The value in use was measured by management. The key assumptions for the value in use calculations are disclosed in the notes below.

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% (2023: 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 11.5% (2023: 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 amount of cash-generating unit was higher than its recoverable amount.

Actual outcomes could vary from these estimates. If the revised estimated 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 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.

17. Other intangible assets

	Development costs \$'000	Customer lists \$'000	Total \$'000
<u>Cost:</u>			
At 1 January 2023	3,552	3,321	6,873
Additions	811	–	811
At 31 December 2023	4,363	3,321	7,684
Additions	152	–	152
Arising from deconsolidation of subsidiary (Note 29)	(4,515)	–	(4,515)
At 31 December 2024	–	3,321	3,321
<u>Accumulated amortisation and impairment:</u>			
At 1 January 2023	235	2,034	2,269
Amortisation for the year	335	384	719
At 31 December 2023	570	2,418	2,988
Amortisation for the year	62	376	438
Impairment	–	100	100
Arising from deconsolidation of subsidiary (Note 29)	(632)	–	(632)
At 31 December 2024	–	2,894	2,894
<u>Carrying value:</u>			
At 1 January 2023	3,317	1,287	4,604
At 31 December 2023	3,793	903	4,696
At 31 December 2024	–	427	427

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.

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18. Inventories

	Group	
	2024	2023
	\$'000	\$'000
Finished goods	6,260	7,285
Dental supplies	4,327	4,527
	10,587	11,812
Inventories are stated after allowance for impairment as follows:		
Balance at beginning of the year	(5,797)	(5,458)
Impairment loss recognised in the year included in other losses (Note 9)	(504)	(339)
Balance at end of the year	(6,301)	(5,797)

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

19. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
<u>Trade receivables:</u>				
Outside parties	10,051	10,417	–	–
Subsidiaries	–	–	16,468	23,924
Less allowance for impairment	(165)	(156)	(2,462)	(2,238)
Net trade receivables – subtotal	9,886	10,261	14,006	21,686
<u>Other receivables:</u>				
Subsidiaries (Note 3)	–	–	70,998	72,118
Less allowance for impairment	–	–	(17,596)	(16,688)
Deposits to secure services	4,417	4,495	204	212
Profit guarantee receivables ^(a)	16,532	13,671	14,497	12,880
Less allowance for impairment	(548)	(521)	–	–
Outside parties	6,419	3,945	3,925	–
Less allowance for impairment	(725)	(679)	–	–
Net other receivables – subtotal	26,095	20,911	72,028	68,522
Total trade and other receivables	35,981	31,172	86,034	90,208

^(a) Refers to profit guarantee receivables from the directors and former directors of subsidiaries and associates of the Group.

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Other receivables from outside parties	2,933	2,356	2,032	1,303

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19. Trade and other receivables (cont'd)

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Within 2 to 5 years	2,529	2,174	1,734	1,303
Later than 5 years	404	182	298	–
Total	<u>2,933</u>	<u>2,356</u>	<u>2,032</u>	<u>1,303</u>

The non-current portion of receivables are unsecured loans to certain dentists and employees of the Group:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Non-interest bearing loans	1,881	2,157	1,044	1,175
Interest bearing loans	1,052	199	988	128
	<u>2,933</u>	<u>2,356</u>	<u>2,032</u>	<u>1,303</u>

The interest bearing loans are repayable monthly over 3 to 7 years, commencing from the date of appointment of the dentists concerned. Interest is charged at 5% (2023: 5%) per annum, subject to review annually.

The non-interest-bearing loans are repayable monthly over 3 to 12 years, commencing from the date of appointment of the dentists concerned.

The difference between the fair value and the cost at inception of the non-interest bearing loans is not significant to the Group.

Movements in the above allowance for impairment:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Balance at beginning of the year	156	156	2,238	1,943
Foreign currency translation adjustment	4	–	–	–
Charge for trade receivables to profit or loss included in other losses	21	–	224	295
Used	(16)	–	–	–
Balance at end of the year	<u>165</u>	<u>156</u>	<u>2,462</u>	<u>2,238</u>
<u>Other receivables:</u>				
Balance at beginning of the year	1,200	2,157	16,688	14,976
Foreign currency translation adjustment	35	(33)	–	–
Charge for other receivables to profit or loss included in other losses	191	–	908	1,712
Used	(153)	(924)	–	–
Balance at end of the year	<u>1,273</u>	<u>1,200</u>	<u>17,596</u>	<u>16,688</u>

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19. Trade and other receivables (cont'd)

The expected credit losses (“ECL”) on the above third parties trade receivables are based on the simplified approach to measuring 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 current economic conditions.

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Current	3,230	4,555	1,906	2,991
Less than 30 days	1,308	1,903	1,685	–
31 to 60 days	978	933	10	–
Over 60 days	4,535	3,026	12,872	20,933
Total	<u>10,051</u>	<u>10,417</u>	<u>16,473</u>	<u>23,924</u>

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Over 60 days	<u>165</u>	<u>156</u>	<u>–</u>	<u>–</u>

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 (2023: 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 companies that take 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 (2023: 30 days to 120 days) to their customers.

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19. Trade and other receivables (cont'd)

(ii) Concentration of credit risk

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Top 1 customer	189	1,594	3,000	3,000
Top 2 customers	<u>253</u>	<u>1,713</u>	<u>4,987</u>	<u>5,340</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. 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.

A loss allowance balances of \$1,273,000 (2023: \$1,200,000) and \$ 17,596,000 (2023: \$16,688,000) 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.

20. Other non-financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Sign-on bonus	4,781	6,464	1,123	1,768
Prepaid services – via performance shares	1,741	1,479	1,741	1,479
Assignment fees	27	45	–	–
	<u>6,549</u>	<u>7,988</u>	<u>2,864</u>	<u>3,247</u>
<u>Current:</u>				
Prepayments	1,443	1,464	669	619
Sign-on bonus	1,364	1,780	326	419
Prepaid services – via performance shares	326	353	326	353
Assignment fees	18	18	–	–
	<u>3,151</u>	<u>3,615</u>	<u>1,321</u>	<u>1,391</u>

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21. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	<u>34,342</u>	<u>33,993</u>	<u>3,867</u>	<u>5,430</u>
Interest earning balances	<u>1,083</u>	<u>1,046</u>	<u>1,083</u>	<u>1,046</u>

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

21A. Reconciliation of liabilities arising from financing activities

<u>Group</u>	<u>2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2024</u>
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	79,181	–	(5,942) ^(b)	73,239
Short-term borrowings	1,105	(6,543)	5,942 ^(b)	504
Lease liabilities	49,985	(12,853)	4,505 ^(a)	41,637
Total liabilities from financing activities	<u>130,271</u>	<u>(19,396)</u>	<u>4,505</u>	<u>115,380</u>

	<u>2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	84,577	–	(5,396) ^(b)	79,181
Short-term borrowings	473	(4,764)	5,396 ^(b)	1,105
Lease liabilities	55,767	(12,438)	6,656 ^(a)	49,985
Total liabilities from financing activities	<u>140,817</u>	<u>(17,202)</u>	<u>6,656</u>	<u>130,271</u>

^(a) Mainly due to acquisitions and interest accretion.

^(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
Balance at 1 January 2023, 31 December 2023 and 31 December 2024	<u>965,865</u>	<u>86,758</u>

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22. Share capital (cont'd)

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

	Number of treasury shares '000	Cost \$'000
<u>Group and Company:</u>		
Balance at 1 January 2023 and 31 December 2023	19,422	11,535
Issue share at \$0.25 cents each ^(a)	(520)	(130)
Issue share at \$0.28 cents each ^(b)	(1,963)	(550)
Balance at 31 December 2024	<u>16,939</u>	<u>10,855</u>

^(a) On 24 June 2024, the Company transferred 520,000 ordinary shares from its treasury shares to 3 key dentists in the Group for an aggregate gross cash consideration of \$130,000.

^(b) On 4 September 2024, the Company transferred 1,962,880 ordinary shares from its treasury shares to dentists in 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Net debt:				
All current and non-current borrowings including leases	115,380	130,271	68,856	77,351
Less: Cash and cash equivalents	(34,342)	(33,993)	(3,867)	(5,430)
Net debt	<u>81,038</u>	<u>96,278</u>	<u>64,989</u>	<u>71,921</u>
Adjusted capital:				
Total equity	108,507	102,911	93,884	86,271
Adjusted capital	<u>108,507</u>	<u>102,911</u>	<u>93,884</u>	<u>86,271</u>
Debt-to-adjusted capital ratio	<u>74.7%</u>	<u>93.6%</u>	<u>69.2%</u>	<u>83.4%</u>

The decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the decrease in net debt.

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22. Share capital (cont'd)

Capital management: (cont'd)

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.

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	
	2024	2023
	\$'000	\$'000
Foreign currency translation reserve (Note 23A)	(3,207)	(3,793)
Other reserves	(200)	(200)
Total at end of the year	(3,407)	(3,993)

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.

23A. Foreign currency translation reserve

	Group	
	2024	2023
	\$'000	\$'000
At beginning of the year	(3,793)	(2,696)
Exchange differences on translating foreign operations	586	(1,097)
At end of the year	(3,207)	(3,793)

The currency translation reserve accumulates all foreign exchange differences.

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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 2024, the Company granted share awards to eligible dentists of the Group by the allotment and issuance of an aggregate of 1,962,280 ordinary shares from the treasury shares of the Company pursuant to the Q & M Performance Share Plan 2018. The shares were granted at fair value of \$0.28 per share. The shares were issued on 4 September 2024 (see Note 22^(b)).

25. Provisions

	Group	
	2024	2023
	\$'000	\$'000
Provision for reinstatement of leased premises	985	975
Movements in above provision:		
Balance at beginning of the year	975	767
Additions	10	208
Balance at end of the year	985	975

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

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Lease liabilities, current	10,923	10,742	258	242
Lease liabilities, non-current	30,714	39,243	1,185	1,461
	41,637	49,985	1,443	1,703

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

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

<u>Group</u>	Dental, medical clinics and office <u>premises</u> \$'000	Lease <u>liabilities</u> \$'000
At 1 January 2023	81,108	55,767
Accretion of interest	–	1,670
Additions	599	599
Disposals	(8,558)	(264)
Lease modification	6,321	6,321
Lease payments – principal portion paid	–	(12,438)
Interest paid	–	(1,670)
At 31 December 2023	<u>79,470</u>	<u>49,985</u>
Accretion of interest	–	1,648
Additions	1,849	1,849
Disposals	(21,966)	(3,491)
Lease modification	6,146	6,146
Lease payments – principal portion paid	–	(12,853)
Interest paid	–	(1,647)
At 31 December 2024	<u>65,499</u>	<u>41,637</u>
<u>Accumulated depreciation and impairment:</u>		
At 1 January 2023	28,519	–
Depreciation for the year	12,693	–
Disposals	(8,317)	–
At 31 December 2023	<u>32,895</u>	–
Depreciation for the year	12,951	–
Disposals	(18,655)	–
Impairment for the year (Note 9)	126	–
At 31 December 2024	<u>27,317</u>	–
<u>Carrying value:</u>		
At 1 January 2023	<u>52,589</u>	<u>55,767</u>
At 31 December 2023	<u>46,575</u>	<u>49,985</u>
At 31 December 2024	<u>38,182</u>	<u>41,637</u>

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

The movements in right-of-use assets and lease liabilities in the statements of financial position are as follows (cont'd):

<u>Company</u>	<u>Office premises</u> \$'000	<u>Lease liabilities</u> \$'000
At 1 January 2023	2,043	1,628
Accretion of interest	–	34
Additions	334	334
Lease payments – principal portion paid	–	(259)
Interest paid	–	(34)
At 31 December 2023	<u>2,377</u>	<u>1,703</u>
Accretion of interest	–	27
Lease payments – principal portion paid	–	(260)
Interest paid	–	(27)
At 31 December 2024	<u>2,377</u>	<u>1,443</u>
<u>Accumulated depreciation:</u>		
At 1 January 2023	461	–
Depreciation for the year	272	–
At 31 December 2023	<u>733</u>	–
Depreciation for the year	255	–
At 31 December 2024	<u>988</u>	–
<u>Carrying value:</u>		
At 1 January 2023	<u>1,582</u>	<u>1,628</u>
At 31 December 2023	<u>1,644</u>	<u>1,703</u>
At 31 December 2024	<u>1,389</u>	<u>1,443</u>

The leases are for dental and medical clinics and office premises. The lease contracts are usually for fixed periods of 2 to 5 (2023: 2 to 5) years but may have extension options. The lease agreements terms contain a wide range of different terms and conditions. The 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% (2023: 1.68% and 6%) per annum.

A summary of the maturity analysis of lease liabilities is disclosed in Note 32E. 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.

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Expense relating to short-term leases included in other expenses	<u>–</u>	<u>226</u>

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27. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	16,390	16,872	1,511	1,301
Subsidiaries	–	–	822	1,142
Trade payables – subtotal	<u>16,390</u>	<u>16,872</u>	<u>2,333</u>	<u>2,443</u>
<u>Other payables:</u>				
Deposits received	137	120	–	–
Amount due to vendors of acquired subsidiaries	1,184	1,165	1,084	1,045
Amount due to directors of the subsidiaries	287	270	–	–
Outside parties	623	794	36	213
Subsidiaries (Note 3)	–	–	26,205	26,029
Other payables – subtotal	<u>2,231</u>	<u>2,349</u>	<u>27,325</u>	<u>27,287</u>
Total trade and other payables	<u>18,621</u>	<u>19,221</u>	<u>29,658</u>	<u>29,730</u>

28. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
<u>Non-current:</u>				
Bank loans (Note 28A)	73,209	79,142	67,167	75,402
Finance leases (Note 28B)	30	39	–	–
Non-current, total	<u>73,239</u>	<u>79,181</u>	<u>67,167</u>	<u>75,402</u>
<u>Current:</u>				
Bank loans (Note 28A)	489	462	246	246
Finance leases (Note 28B)	15	23	–	–
Bills payable (Note 28C)	–	620	–	–
Current, total	<u>504</u>	<u>1,105</u>	<u>246</u>	<u>246</u>
Total	<u>73,743</u>	<u>80,286</u>	<u>67,413</u>	<u>75,648</u>

The non-current portion is repayable as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Due within 2 to 5 years	64,538	71,920	63,542	71,329
Due after 5 years	8,701	7,261	3,625	4,073
Total non-current portion	<u>73,239</u>	<u>79,181</u>	<u>67,167</u>	<u>75,402</u>

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28. Other financial liabilities (cont'd)

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	%	%
Bank loans	4.28 – 5.24	4.00 – 6.25
Bills payable	<u>–</u>	<u>1.20</u>

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:

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

The Group and the Company are 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 to 1.

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.

28B. Finance leases

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

<u>Group</u>	<u>Minimum payments</u>	<u>Finance charges</u>	<u>Present value</u>
	\$'000	\$'000	\$'000
<u>2024</u>			
Minimum lease payments payable:			
Due within one year	17	(2)	15
Due within two to five years	33	(3)	30
Total	<u>50</u>	<u>(5)</u>	<u>45</u>
Carrying value of plant and equipment under finance leases			<u>127</u>

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28. Other financial liabilities (cont'd)

28B. Finance leases (cont'd)

<u>Group</u>	<u>Minimum payments</u> \$'000	<u>Finance charges</u> \$'000	<u>Present value</u> \$'000
<u>2023</u>			
Minimum lease payments payable:			
Due within one year	26	(3)	23
Due within two to five years	42	(3)	39
Total	<u>68</u>	<u>(6)</u>	<u>62</u>
Carrying value of plant and equipment under finance leases			<u>98</u>

Certain plant and equipment of the Group are under finance leases. The average lease term was 5 years (2023: 5 years). The fixed rate of interest for finance leases was 5.70% (2023: 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.

28C. Bills payable

The bills payable 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 payable of the Group have maturity period of 90 days (2023: 90 days).

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29. Disposal of subsidiary

2024:

As disclosed in Note 14(p), the Group reduced its equity interest in EM2AI Pte. Ltd. (“EM2AI”) from 100% to 49%. Consequently, EM2AI was reclassified from investment in subsidiary to investment in associate and was deconsolidated. The retained interest in the investee is accounted for in accordance with the financial reporting standards on investments in associates whose fair value at the date of disposal was \$1,109,000. The gain on deemed disposal of \$436,000 is included in profit or loss (Note 9).

The results for the reporting year from deemed disposal of EM2AI and its subsidiary for the previous reporting year and for the period from the beginning of the reporting year to date of disposal on 5 March 2024, which have been included in the consolidated financial statements, were as follow:

	<u>Group</u>	
	<u>At date of disposal in 2024</u>	<u>At date of last year 2023</u>
	\$'000	\$'000
Revenue	119	2,253
Cost of sales	(8)	(703)
Employee benefit expenses	(184)	(853)
Depreciation	(75)	(386)
Rental expenses	(4)	(24)
Other expenses	(57)	(243)
Other charges	(2)	(49)
Loss before tax before disposal	<u>(211)</u>	<u>(5)</u>
Income tax expenses	–	(35)
Loss after tax before disposal	<u>(211)</u>	<u>(40)</u>
Loss attributable to owners of the parent, net of tax	(211)	
Loss attributable to non-controlling interests, net of tax	–	
	<u>(211)</u>	
Presented as:		
Gain on disposal (Note 9)	436	
Foreign currency translation reserves reclassified to profit or loss included in other comprehensive income	15	
Loss before tax before disposal	<u>451</u>	

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29. Disposal of subsidiary (cont'd)

2024: (cont'd)

The following table is a summary of the carrying value of the assets and liabilities of EM2AI and its subsidiaries at the date of disposal:

	Group At date of disposal in <u>2024</u> \$'000
Intangible assets	3,883
Plant and equipment	249
Trade and other receivables	151
Cash and cash equivalents	433
Income tax receivables	5
Foreign currency translation reserves	15
Trade and other payables	(4,028)
Deferred tax liabilities	(35)
Net assets disposed of	673
Gain on deemed disposal (Note 9)	436
Total consideration	1,109

An analysis of the net cash outflow of cash and cash equivalent in respect of the disposal of subsidiary were as follows:

	<u>Total</u> \$'000
Cash balance disposed of	433
Net cash outflow	433

Subsequent to the reporting year, the Group has on 31 March 2025, entered into a share purchase agreement ("SPA") with EM2AI Professional HoldCo Pte. Ltd. (the "Vendor") to acquire the remaining 51% of the entire issued and paid-up share capital of EM2AI Pte. Ltd. ("EM2AI") from the Vendor (the "Proposed Acquisition"). Refer to Note 36.

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29. Disposal of subsidiary (cont'd)

2023:

On 19 June 2023, the Group disposed of its subsidiary, Shanghai Chuangyi Investment and Management Co. Ltd. to Shanghai Zhibao Investment Consulting Co., Ltd for a consideration of RMB500,000 (equivalent to approximately S\$97,000). The gain on disposal of \$77,000 is included in profit or loss (Note 9).

The results for the reporting year from disposal of the subsidiary as mentioned above and the results for the previous reporting year and for the period from the beginning of the reporting year to 19 June 2023, which have been included in the consolidated financial statements, were as follows:

	<u>Group</u>	
	<u>At date of disposal in 2023</u>	<u>At date of last year 2022</u>
	\$'000	\$'000
Revenue	168	788
Cost of sales	(27)	(115)
Employee benefit expenses	(173)	(504)
Depreciation	(16)	(51)
Rental expenses	(70)	(140)
Other expenses	(47)	(264)
Loss before tax before disposal	<u>(165)</u>	<u>(286)</u>
Loss attributable to owners of the parent, net of tax	(94)	
Loss attributable to non-controlling interests, net of tax	<u>(71)</u>	
	<u>(165)</u>	
Presented as:		
Gain on disposal (Note 9)	77	
Foreign currency translation reserves reclassified to profit or loss included in other comprehensive income	<u>(17)</u>	
Loss before tax before disposal	<u>60</u>	

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29. Disposal of subsidiary (cont'd)

2023: (cont'd)

The following table is a summary of the carrying value of the assets and liabilities of the subsidiary at the date of disposal:

	Group At date of disposal in <u>2023</u> \$'000
Plant and equipment	158
Trade and other receivables	98
Inventories	26
Cash and cash equivalents	23
Trade and other payables	(195)
Income tax payables	(2)
Foreign currency translation reserves	(17)
Non-controlling interest	(71)
Net assets disposed of	<u>20</u>
Gain on disposal (Note 9)	77
Total consideration	<u><u>97</u></u>

An analysis of the net cash inflow of cash and cash equivalent in respect of the disposal of subsidiary were as follows:

	<u>Total</u> \$'000
Cash consideration	97
Cash balance disposed of	(23)
Net cash inflow	<u><u>74</u></u>

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30. Acquisition of business

On 6 November 2024, the Group incorporated a wholly owned new subsidiary, Q & M Dental Surgery (Azure) Pte. Ltd. which entered into a business purchase agreement with Veritas Dental Pte. Ltd. (the “seller”) to acquire the business from the seller.

The fair values of identifiable assets acquired and liabilities assumed are shown below:

	Provisional fair value at date of acquisition <u>2024</u> \$'000
Plant and equipment	70
Inventory	26
	<u>96</u>

The consideration transferred is as follows:

	<u>2024</u> \$'000
Cash paid	<u>800</u>

An analysis of the net cash outflow of cash and cash equivalent in respect of the disposal of subsidiary were as follows:

	<u>Total</u> \$'000
Cash consideration	800
Net cash outflow	<u>800</u>

The goodwill arising on acquisition is as follows:

	<u>2024</u> \$'000
Consideration transferred (see above)	800
Provisional fair value of identifiable net assets acquired	(96)
Goodwill arising on acquisition	<u>704</u>

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31. 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>2024</u>	<u>2023</u>
	\$'000	\$'000
Not later than one year	412	394
Between 2 and 5 years	232	327
Total	<u>644</u>	<u>721</u>
 Rental income for the year (Note 5)	 <u>507</u>	 <u>503</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 (2023: 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.

32. Financial instruments: information on financial risks and other explanatory information

32A. Categories of financial assets and financial liabilities

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

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>73,256</u>	<u>67,521</u>	<u>91,933</u>	<u>96,941</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>134,001</u>	<u>149,492</u>	<u>98,514</u>	<u>107,081</u>

Further quantitative disclosures are included throughout these financial statements.

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32. Financial instruments: information on financial risks and other explanatory information (cont'd)

32B. 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, currency risk and price risk exposures. Management has certain procedures 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 are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices including such activities to minimise interest rate, currency, credit and market risks for most kinds of transactions; to maximise the use of "natural hedge" favouring as much as possible the natural off-setting of sales; and when appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

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

32C. 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.

32D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. 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 balances. There was no identified impairment loss.

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32. Financial instruments: information on financial risks and other explanatory information (cont'd)

32E. Liquidity risk – financial liabilities maturity analysis

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 following table analyses the non-derivative financial liabilities at the end of the reporting year by remaining contractual maturity (contractual 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>2024:</u>				
Trade and other payables	18,621	–	–	18,621
Gross borrowings commitments	3,849	66,058	10,841	80,748
Gross lease liabilities	13,675	30,304	1,085	45,064
	<u>36,145</u>	<u>96,362</u>	<u>11,926</u>	<u>144,433</u>
<u>2023:</u>				
Trade and other payables	19,221	–	–	19,221
Gross borrowings commitments	4,032	80,557	9,997	94,586
Gross lease liabilities	13,790	35,991	3,682	53,463
	<u>37,043</u>	<u>116,548</u>	<u>13,679</u>	<u>167,270</u>
Non-derivative financial liabilities:				
<u>Company</u>				
<u>2024:</u>				
Trade and other payables	29,658	–	–	29,658
Gross borrowings commitments	3,386	64,237	4,434	72,057
Gross lease liabilities	281	1,122	122	1,525
	<u>33,325</u>	<u>65,359</u>	<u>4,556</u>	<u>103,240</u>
<u>2023:</u>				
Trade and other payables	29,730	–	–	29,730
Gross borrowings commitments	3,765	79,265	5,155	88,185
Gross lease liabilities	278	1,122	402	1,802
	<u>33,773</u>	<u>80,387</u>	<u>5,557</u>	<u>119,717</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.

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

32. Financial instruments: information on financial risks and other explanatory information (cont'd)

32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The average credit period taken to settle current trade payables is about 60 days (2023: 60 days). 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.

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:

<u>Company</u>	Less than <u>1 year</u> \$'000
<u>2024:</u>	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	<u>6,880</u>
<u>2023:</u>	
Financial guarantee in favour of a subsidiary – given by Company (Note 3)	<u>3,955</u>

Bank facilities:

	<u>Group</u>	
	<u>2024</u> \$'000	<u>2023</u> \$'000
Unutilised bank overdraft	1,500	1,500
Unutilised credit facilities / foreign exchange	2,318	17,300
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>3,000</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.

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32. Financial instruments: information on financial risks and other explanatory information (cont'd)

32F. 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$'000	\$'000	\$'000	\$'000
Financial assets with interest:				
Fixed rates	729	199	644	128
Floating rates	1,083	1,046	1,083	1,046
Total at end of the year	<u>1,812</u>	<u>1,245</u>	<u>1,727</u>	<u>1,174</u>
Financial liabilities with interest:				
Fixed rates	41,637	50,667	1,443	1,703
Floating rates	73,743	79,604	67,413	75,648
Total at end of the year	<u>115,380</u>	<u>130,271</u>	<u>68,856</u>	<u>77,351</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:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$
<u>Financial liabilities:</u>				
A hypothetical variation in floating interest rates by 10 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	<u>727</u>	<u>786</u>	<u>663</u>	<u>746</u>

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

32G. 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 were no material balances in non-functional currency at the end of the reporting year.

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

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33. 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:

	Group	
	2024	2023
	\$'000	\$'000
Audit fees to the independent auditor of the Company	428	423
Audit fees to the other independent auditor	9	39
Other fees to the independent auditor of the Company	9	6

34. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. Those applicable to the reporting entity are listed below. None had material impact on the reporting entity.

SFRS (I) No.	Title
SFRS(I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current
SFRS(I) 1-1	Presentation of Financial Statements- amendment relating to Non-current Liabilities with Covenants
SFRS(I) 1-7 and 7	Supplier Finance Arrangements (amendment)
SFRS(I) 16	Lease Liability in a Sale and Leaseback (Amendments)
SFRS(I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements

35. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. Those applicable to the reporting entity for future reporting years are listed below.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025
SFRS(I) 9 and 7	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
SFRS(I) 18	Presentation and disclosures in financial statements	1 January 2027
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

SFRS(I) 18 Presentation and Disclosure in Financial Statements. It replaces SFRS(I) 1-1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances.

Adoption of the new or revised standards are expected to result in some material impact on the reporting entity financial statements presentation and disclosure based on its current operations.

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36. Events after the end of the reporting year

On 31 March 2025, the Group entered into a share purchase agreement (“SPA”) with EM2AI Professional HoldCo Pte. Ltd. (the “Vendor”) to acquire the remaining 51% interest in the share capital of EM2AI Pte. Ltd. (“EM2AI”) from the Vendor (the “Proposed Acquisition”). Pursuant to the SPA, the consideration for the remaining 51% of the shares in EM2AI is S\$1,760,000 which the Group will settle in cash.

The completion of the Proposed Acquisition is subjected to, *inter alia*, the fulfilment of the following conditions:

- a. approval by the shareholders of the Company;
- b. all necessary governmental, regulatory and third-party consents, approvals and waivers having been obtained and not amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Vendor and the Company; and
- c. the warranties and undertakings by each party to the SPA remaining true and correct in all material respects as if made on the date of completion.