



Condensed Financial Statement And Dividend Announcement For The First Half Ended 30 June 2024 (“1H24”)

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

	Note	Group		
		Year-To-Date		
		30/06/2024 \$'000	30/06/2023 \$'000	Change %
Revenue				
Dental and Medical Clinics		82,163	78,872	4
Medical Laboratory and Dental Equipment & Supplies		6,629	8,273	(20)
Total Revenue	3	88,792	87,145	2
Other Items of Income				
Interest Income		38	9	322
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(6,642)	(6,622)	-
Cost of Sales - Medical Laboratory and Dental Equipment & Supplies		(2,993)	(3,970)	(25)
Employee Benefits Expense		(52,190)	(51,939)	-
Depreciation and Amortisation Expense		(2,517)	(2,426)	4
Depreciation of Right-Of-Use Assets		(6,528)	(6,459)	1
Other Expenses		(5,526)	(5,858)	(6)
Finance Costs	5	(2,700)	(2,781)	(3)
Other Gain (Losses)	4	1,763	(76)	NM
Share of Profit (Loss) from Equity-Accounted Associates		216	(203)	NM
Profit Before Tax from Continuing Operations		11,713	6,820	72
Income Tax Expense	6	(1,530)	(1,107)	38
Profit from Continuing Operations, Net of Tax		10,183	5,713	78
Other Comprehensive Income (Loss):				
Exchange Differences on Translating Foreign Operations, Net of Tax		1	(993)	NM
Other Comprehensive Income (Loss) for the Period, Net of Tax		1	(993)	NM
Total Comprehensive Income for the Period		10,184	4,720	116
Profit Attributable to:				
Owners of the Parent, Net of Tax		9,799	5,334	84
Non-Controlling Interests, Net of Tax		384	379	1
Profit, Net of Tax		10,183	5,713	78
Total Comprehensive Income Attributable to:				
Owners of the Parent		9,800	4,420	122
Non-Controlling Interests		384	300	28
Total Comprehensive Income		10,184	4,720	116

NM: Not Meaningful



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

	Note	Group		
		Year-To-Date		
		30/06/2024 \$'000	30/06/2023 \$'000	Change %
EBITDA		23,420	18,477	27
Earnings Per Share				
Base on the Weighted Average Number of Ordinary ^(a)				
Shares on Issue – Cents		1.04	0.56	
Fully Diluted Basis – Cents		1.04	0.56	

- (a) The basic EPS for the period ended 30 June 2024 and 30 June 2023 are based on the profit attributable to equity holders of parent, net of tax and weighted average number of ordinary shares of 946,452,913 and 946,442,940 shares respectively.



1(b) Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at		As at	
		30/06/2024	31/12/2023	30/06/2024	31/12/2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	36,795	37,611	1,185	1,282
Right-Of-Use Assets		42,926	46,575	1,516	1,644
Investment in Subsidiaries		-	-	60,918	61,018
Investment in Associates	9	25,907	24,587	29,022	27,913
Goodwill	10	54,183	54,183	-	-
Other Intangible Assets	11	714	4,696	-	-
Other Receivables		2,543	2,356	1,531	1,303
Other Assets		6,958	7,988	2,863	3,247
Total Non-Current Assets		170,026	177,996	97,035	96,407
Current Assets					
Inventories		11,621	11,812	-	-
Trade and Other Receivables		35,805	31,172	87,225	90,208
Other Assets		3,524	3,615	668	1,391
Cash and Cash Equivalents		32,291	33,993	2,927	5,430
Total Current Assets		83,241	80,592	90,820	97,029
Total Assets		253,267	258,588	187,855	193,436
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Parent					
Share Capital	12	86,758	86,758	86,758	86,758
Treasury Shares	12	(11,405)	(11,535)	(11,405)	(11,535)
Retained Earnings		32,624	27,841	9,491	11,048
Other Reserves, Total		(3,977)	(3,993)	-	-
Equity Attributable to Owners of the Parent, Total		104,000	99,071	84,844	86,271
Non-Controlling Interests		4,224	3,840	-	-
Total Equity		108,224	102,911	84,844	86,271
Non-Current Liabilities					
Provisions		975	975	-	-
Deferred Tax Liabilities		2,895	2,992	-	-
Lease Liabilities Arising from Right-Of-Use Assets		35,748	39,243	1,332	1,461
Other Financial Liabilities	13	75,993	79,181	72,293	75,402
Total Non-Current Liabilities		115,611	122,391	73,625	76,863
Current Liabilities					
Income Tax Payable		1,693	2,218	-	84
Trade and Other Payables		16,700	19,221	28,898	29,730
Lease Liabilities Arising from Right-Of-Use Assets		10,553	10,742	242	242
Other Financial Liabilities	13	486	1,105	246	246
Total Current Liabilities		29,432	33,286	29,386	30,302
Total Liabilities		145,043	155,677	103,011	107,165
Total Equity and Liabilities		253,267	258,588	187,855	193,436



1(c) Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Year-To-Date	
	30/06/2024	30/06/2023
	\$'000	\$'000
<u>Cash Flows from Operating Activities</u>		
Profit Before Tax	11,713	6,820
Adjustments for:		
Interest Income	(38)	(9)
Interest Expense	2,700	2,781
Plant and Equipment Written Off	103	69
Impairment allowance on plant and equipment - reversal	-	(13)
Share of (Profit) Loss from Equity – Associated Associates	(216)	203
Gain on Disposal of Subsidiary	(436)	-
Depreciation of Property, Plant and Equipment and Amortisation Expense	2,517	2,426
Depreciation of Right-Of-Use Assets	6,528	6,459
Foreign Currency Translation Reserve	3	(268)
Operating Cash Flows Before Changes in Working Capital	22,874	18,468
Inventories	191	(557)
Trade and Other Receivables	(1,477)	(1,105)
Other non-financial assets	225	296
Trade and Other Payables	(2,416)	(1,567)
Provision	-	9
Net Cash Flows from Operating Activities Before Interest and Tax	19,397	15,544
Income Taxes Paid	(2,122)	(1,380)
Net Cash Flows from Operating Activities	17,275	14,164
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Property Plant and Equipment	(2,149)	(3,152)
Purchase of Intangible Assets	(152)	(381)
Disposal of Plant and Equipment	266	108
Other non-financial assets	1,199	(1,225)
Trade and Other Receivables	313	(113)
Disposal of Subsidiary (Net of cash)	(433)	-
Other Receivables, Non-Current	(187)	(85)
Interest Received	38	9
Net Cash Flows Used in Investing Activities	(1,105)	(4,839)
<u>Cash Flows Used in Financing Activities</u>		
Lease Liabilities – Principal Portion Paid	(6,479)	(6,298)
Lease Liabilities – Interest Paid	(852)	(843)
Finance Lease Repayment	(4)	(29)
Repayment of Bank Loans	(3,183)	(1,181)
Proceeds from Placement Shares	130	-
Bill Payables	(620)	367
Interest Paid	(1,848)	(1,938)
Dividends Paid to Equity Owners	(5,016)	(5,679)
Net Cash Flows Used in Financing Activities	(17,872)	(15,601)



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	Group	
	Year-To-Date	
	30/06/2024	30/06/2023
	\$'000	\$'000
Net Decrease in Cash and Cash Equivalents	(1,702)	(6,276)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	33,993	39,698
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	32,291	33,422
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	32,291	33,422
Cash and Cash Equivalents at End of Period	32,291	33,422



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

	<u>Total Equity</u>	<u>Attributable to Parent Sub-Total</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Treasury Shares</u>	<u>Other Reserves</u>	<u>Non-Controlling Interest</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group - Current Period							
Opening Balance at 1 January 2024	102,911	99,071	86,758	27,841	(11,535)	(3,993)	3,840
Movements in Equity:							
Total Comprehensive Income for the Period	10,184	9,800	-	9,799	-	1	384
Issuance of Ordinary Shares	130	130	-	-	130	-	-
Deconsolidation of Subsidiary	15	15	-	-	-	15	-
Dividends Paid (Note 7)	(5,016)	(5,016)	-	(5,016)	-	-	-
Closing Balance at 30 June 2024	108,224	104,000	86,758	32,624	(11,405)	(3,977)	4,224
Group - Previous Period							
Opening Balance at 1 January 2023	102,248	96,490	86,758	24,163	(11,535)	(2,896)	5,758
Movements in Equity:							
Total Comprehensive Income for the Period	4,720	4,420	-	5,334	-	(914)	300
Dividends Paid (Note 7)	(5,679)	(5,679)	-	(5,679)	-	-	-
Closing Balance at 30 June 2023	101,289	95,231	86,758	23,818	(11,535)	(3,810)	6,058



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

	<u>Total Equity</u>	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Other Reserve</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Company - Current Period					
Opening Balance at 1 January 2024	86,271	86,758	(11,535)	-	11,048
Movements in Equity:					
Total Comprehensive Income for the Period	3,459	-	-	-	3,459
Issurance of Ordinary Shares	130	-	130	-	-
Dividends Paid (Note 7)	(5,016)	-	-	-	(5,016)
Closing Balance at 30 June 2024	84,844	86,758	(11,405)	-	9,491
Company - Previous Period					
Opening Balance at 1 January 2023	81,754	86,758	(11,535)	-	6,531
Movements in Equity:					
Total Comprehensive Income for the Period	992	-	-	-	992
Dividends Paid (Note 7)	(5,679)	-	-	-	(5,679)
Closing Balance at 30 June 2023	77,067	86,758	(11,535)	-	1,844



1(e) Notes to the Condensed Interim Financial Statements
30 June 2024

1. General

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

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

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

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

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

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

Basis of presentation

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

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 31 December 2023. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the group since the latest audited annual financial statements.

New and amended standards adopted by the Group

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



Critical judgements, assumptions and estimation uncertainties

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

2. Financial information by operating segments

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

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

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



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

	<u>Primary Healthcare</u>		<u>Medical Laboratory and Dental Equipment & Supplies</u>		<u>Unallocated – Investment in Associates</u>		<u>Consolidated</u>	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue by segment	82,163	78,872	9,735	10,792	-	-	91,898	89,664
Inter-segment sales	-	-	(3,106)	(2,519)	-	-	(3,106)	(2,519)
Total revenue	82,163	78,872	6,629	8,273	-	-	88,792	87,145
Segment results	21,777	17,292	1,465	1,397	216	(203)	23,458	18,486
Finance costs							(2,700)	(2,781)
Depreciation of plant and equipment							(2,266)	(2,132)
Depreciation right-of-use assets							(6,528)	(6,459)
Amortisation of intangible assets							(251)	(294)
Profit before income tax							11,713	6,820
Income tax expense							(1,530)	(1,107)
Profit, net of tax							10,183	5,713
Expenditure for non-current assets								
Property, plant and equipment	(2,132)	(3,011)	(17)	(141)	-	-	(2,149)	(3,152)
Other material non-cash items								
Depreciation of plant and equipment	(1,960)	(1,869)	(306)	(263)	-	-	(2,266)	(2,132)
Depreciation right-of-use assets	(6,334)	(6,320)	(194)	(139)	-	-	(6,528)	(6,459)
Amortisation of intangible assets	(214)	(255)	(37)	(39)	-	-	(251)	(294)
Finance costs	(2,672)	(2,766)	(28)	(15)	-	-	(2,700)	(2,781)
Allowance on plant and equipment	-	13	-	-	-	-	-	13
Allowance on inventories	-	-	(32)	-	-	-	(32)	-
Compensation from ex-vendor	1,437	-	-	-	-	-	1,437	-
Gain on partial disposal of subsidiary	436	-	-	-	-	-	436	-



2C. Assets and reconciliation

	As at	
	30 Jun	31 Dec
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Segment assets</u>		
Primary healthcare	204,818	212,301
Medical laboratory and dental equipment and supplies	22,542	21,700
Unallocated – investment in associates	25,907	24,587
Total	<u>253,267</u>	<u>258,588</u>

2D. Liabilities and reconciliation

	As at	
	30 Jun	31 Dec
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Segment liabilities</u>		
Primary healthcare	140,428	151,023
Medical laboratory and dental equipment and supplies	4,615	4,654
Total	<u>145,043</u>	<u>155,677</u>

2E. Geographical information

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

	6 months ended 30 Jun	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Revenue</u>		
Singapore	83,328	81,694
Malaysia	5,464	5,282
China	-	169
Total	<u>88,792</u>	<u>87,145</u>

	As at	
	30 Jun	31 Dec
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Non-current assets</u>		
Singapore	140,127	147,914
Malaysia	5,041	5,487
China	24,858	24,595
Total	<u>170,026</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.



3. Revenue

	6 months ended 30 Jun	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Dental, medical and medical laboratory testing services	83,821	80,751
Sales of goods	3,353	4,398
Profit guarantee income	926	1,495
Rental income	254	248
Other income	438	253
Total revenue	<u>88,792</u>	<u>87,145</u>

4. Other gains and (other losses)

	6 months ended 30 Jun	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Gain on disposal of subsidiary (Note 9(a))	436	-
Compensation from ex-vendors	1,437	-
Plant and equipment written off	(103)	(69)
Foreign exchange translation gain (loss)	25	(20)
Impairment allowance on plant and equipment – reversal	-	13
Impairment allowance on inventories	(32)	-
Net	<u>1,763</u>	<u>(76)</u>

5. Finance costs

	6 months ended 30 Jun	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Interest on borrowings	1,848	1,938
Interest on lease liabilities	852	843
Total	<u>2,700</u>	<u>2,781</u>



6. Income tax expense

Components of tax expense recognised in profit or loss include:

	6 months ended 30 Jun	
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	1,530	1,003
Under adjustments in respect of prior periods	62	154
Subtotal	<u>1,592</u>	<u>1,157</u>
<u>Deferred tax (income) expense:</u>		
Deferred tax income	(17)	(19)
Over adjustments in respect of prior periods	(45)	(31)
Subtotal	<u>(62)</u>	<u>(50)</u>
Total income tax expense	<u>1,530</u>	<u>1,107</u>

7. Dividends on equity shares

	Group	
	30 Jun	30 Jun
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Second interim tax exempt dividend paid of \$0.006 with respect of FY2022	-	5,679
Second interim tax exempt dividend paid of \$0.0053 with respect of FY2023	5,016	-
	<u>5,016</u>	<u>5,679</u>

8. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to \$2,149,000 (30 June 2023: \$3,152,000) and disposed of assets amounting to \$103,000 (30 June 2023: \$69,000).

9. Investment in associates

	Group	
	30 Jun	31 Dec
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Movements in carrying value:		
Balance at beginning of the year	24,587	25,191
Addition ^(a)	1,109	-
Foreign currency translation adjustment	(5)	(521)
Share of profit (loss) for the year	216	(83)
	<u>25,907</u>	<u>24,587</u>



9. Investment in associates (cont'd)

- (a) The Group disposed off 51% interest in its subsidiary, EM2AI Pte. Ltd. ("EM2AI"), on 5th March 2024, resulting in a decrease in equity interest from 100% to 49%. The Group has assessed that the control over its subsidiary, EM2AI has been lost and therefore deconsolidated EM2AI on 5th March 2024.

10. Goodwill

Goodwill that has an indefinite useful life is tested for impairment annually, or more frequently if events or changes in circumstances indicated that it might be impaired. No impairment indicators were identified as at 30 June 2024 based on the CGU's business performance.

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

11. Other intangible assets

	Development <u>costs</u> \$'000	Customer <u>lists</u> \$'000	<u>Total</u> \$'000
As at 31 December 2023			
Cost	4,363	3,321	7,684
Accumulated amortisation and impairment	(570)	(2,418)	(2,988)
Carrying amounts at 31 December 2023	<u>3,793</u>	<u>903</u>	<u>4,696</u>
Cost			
As at 1 January 2024	4,363	3,321	7,684
Deconsolidation of subsidiary	(4,515)	-	(4,515)
Additions	152	-	152
As at 30 June 2024	<u>-</u>	<u>3,321</u>	<u>3,321</u>
Accumulated amortisation and impairment			
As at 1 January 2024	570	2,418	2,988
Deconsolidation of subsidiary	(632)	-	(632)
Amortisation	62	189	251
As at 30 June 2024	<u>-</u>	<u>2,607</u>	<u>2,607</u>
Carrying amounts at 30 June 2024	<u>-</u>	<u>714</u>	<u>714</u>



12. Share capital

	Number of shares <u>issued</u> '000	Share <u>capital</u> \$'000
Ordinary shares of no par value:		
Balance at 31 December 2023 and 30 June 2024	<u>965,865</u>	<u>86,758</u>

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

	Number of treasury shares <u>shares</u> '000	<u>Cost</u> \$'000
Balance at 1 January 2023 and 31 December 2023	19,422	11,535
Transfer of treasury shares at \$0.25 cents each ^(a)	<u>(520)</u>	<u>(130)</u>
Balance at 30 June 2024	<u>18,902</u>	<u>11,405</u>

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

The Company has 18,902,407 treasury shares as at 30 June 2024 (30 June 2023: 19,422,407) and there is no subsidiary holdings as at 30 June 2024 (30 June 2023: Nil).

	As at	
	30 Jun <u>2024</u> '000	31 Dec <u>2023</u> '000
Total number of issued shares excluding treasury shares	<u>946,963</u>	<u>946,443</u>

There were no sales, transfer, disposals, cancellation and/or use of treasury shares as at end of current financial year reported on except for the below:

- i) On 20 July 2024, the Company awarded 1,962,880 number of shares pursuant to the Q & M Performance Share Plan 2018 to certain employees of the Group. The Company will announce the transfer of 1,962,880 ordinary shares from its treasury shares once the transfer is completed.



13. Other financial liabilities

	Group As at		Company As at	
	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000
<u>Non-current:</u>				
Bank loans	75,959	79,142	72,293	75,402
Finance leases	34	39	-	-
Non-current, total	<u>75,993</u>	<u>79,181</u>	<u>72,293</u>	<u>75,402</u>
<u>Current:</u>				
Bank loans	462	462	246	246
Finance leases	24	23	-	-
Bills payable	-	620	-	-
Current, total	<u>486</u>	<u>1,105</u>	<u>246</u>	<u>246</u>
Total	<u>76,479</u>	<u>80,286</u>	<u>72,539</u>	<u>75,648</u>

13A. Bank loans

	Group As at		Company As at	
	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000
Amount repayable within one year	462	462	246	246
Amount repayable after one year	<u>75,959</u>	<u>79,142</u>	<u>72,293</u>	<u>75,402</u>

Bank loans amounting to \$8.9 million (31 December 2023: \$9.1 million) are secured by legal mortgage of the Group's properties and covered by corporate guarantee from the Company.

13B. Finance leases

	Group As at	
	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000
Amount repayable within one year	24	23
Amount repayable after one year	<u>34</u>	<u>39</u>

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



13. Other financial liabilities (cont'd)

13C. Bills payable

	Group As at	
	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000
Amount repayable within one year	<u>-</u>	<u>620</u>

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

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

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

14. Categories of financial assets and liabilities

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

	Group As at		Company As at	
	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000	30 Jun <u>2024</u> \$'000	31 Dec <u>2023</u> \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	<u>70,639</u>	<u>67,521</u>	<u>91,683</u>	<u>96,941</u>
At end of the period	<u>70,639</u>	<u>67,521</u>	<u>91,683</u>	<u>96,941</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<u>139,480</u>	<u>149,492</u>	<u>103,011</u>	<u>107,081</u>
At end of period	<u>139,480</u>	<u>149,492</u>	<u>103,011</u>	<u>107,081</u>



15. Net asset value

	Group As at		Company As at	
	30 Jun <u>2024</u>	31 Dec <u>2023</u>	30 Jun <u>2024</u>	31 Dec <u>2023</u>
Net assets value per ordinary share (cents)	<u>11.0</u>	<u>10.5</u>	<u>9.0</u>	<u>9.1</u>

The net asset value per ordinary share of the Group and the Company as at 30 June 2024 has been calculated based on the total issued number of ordinary shares excluding treasury shares of 946,962,940 (2023: 946,442,940).

16. Events after the end of the reporting period

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



Other Information Required by Listing Rule 7.2

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

The condensed interim consolidated financial statement and notes for the first half ended 30 June 2024 have not been reviewed / audited by the Company's auditor.

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

Statement of Comprehensive Income

Revenue

As at 30 June 2024, the Group has 104 dental outlets, 5 medical outlets and 1 dental college in operations in Singapore, compared to 107 dental outlets, 5 medical outlets and 1 dental college as at 30 June 2023.

As at 30 June 2024 and 30 June 2023, the Group has 44 dental outlets in Malaysia.

As at 30 June 2024 and 30 June 2023, the Group has 1 dental equipment & supplies distribution company and a medical laboratory company in Singapore and 1 dental equipment & supplies distribution company in Malaysia.

The revenue contribution from dental and medical clinics increased by 4% from \$78.9 million for the first six months ended 30 June 2023 ("1H23") to \$82.2 million for the six months ended 30 June 2024 ("1H24"). The increase of \$3.3 million was mainly due to higher revenue contribution from Singapore dental clinics offset by lower profit guarantee income in 1H24.

The revenue contribution from medical laboratory and dental equipment & supplies decreased by 20% from \$8.3 million in 1H23 to \$6.6 million in 1H24. The decrease of \$1.7 million was mainly due to lower revenue contribution from the Group's medical laboratory business as well as lower revenue contribution from the dental equipment & supplies companies in Singapore and Malaysia.



Other Gains (Losses) – Net

Net other gains of \$1.8 million was mainly due to gain on disposal of EM2AI as well as compensation from ex-vendors for the settlement and termination deed for Shanghai Chuangyi Investment & Management Co., Ltd. and ex-vendors from AR Dental Supplies Sdn. Bhd..

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Consumables and supplies used remains the same at \$6.6 million in 1H24 and 1H23.

As a percentage of revenue from the dental and medical outlets, consumables and supplies used in the dental and medical outlets in 1H24 was 8.1% compared to 8.4% in 1H23.

Cost of Sales from Medical Laboratory and Dental Equipment & Supplies

The cost of sales from medical laboratory and dental equipment & supplies decreased by 25% from \$4.0 million in 1H23 to \$3.0 million in 1H24. The decrease of \$1.0 million was due to the decrease in revenue of the medical laboratory business as well as decrease in revenue of the dental equipment & supplies company in Singapore and Malaysia.

As a percentage of revenue from medical laboratory and dental equipment & supplies, cost of sales used in medical laboratory and dental equipment & supplies in 1H24 was 45.2% compared to 48.0% in 1H23.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 4% from \$2.4 million in 1H23 to \$2.5 million in 1H24. The increase of \$0.1 million was mainly due to higher depreciation and amortisation expense from dental clinics in Singapore in 1H24.

As a percentage of revenue, depreciation and amortisation expense remains the same at 2.8% in 1H24 and 1H23.

Other Expenses

Other expenses decreased by 6% from \$5.9 million in 1H23 to \$5.5 million in 1H24. The decrease of \$0.4 million was mainly due to decrease in legal and professional fees, entertainment expense as well as printing and stationary expense for the Group's Singapore operation.

As a percentage of revenue, other expenses in 1H24 was 6.2% compared to 6.7% in 1H23.



Finance Costs

Finance costs decreased by 3% from \$2.8 million in 1H23 to \$2.7 million in 1H24. The decrease of \$0.1 million was due to lower interest expense in 1H24.

As a percentage of revenue, finance costs in 1H24 was 3.0% compared to 3.2% in 1H23.

Share of Profit / (Loss) from Equity-Accounted Associates

The Group recorded a share of profit from equity-accounted associates of \$0.2 million in 1H24 mainly due to Aoxin Q & M turning from a loss in 1H23 to profit in 1H24.

Profit Before Tax and Net Profit After Tax

The Group's profit before tax increased by 72% from \$6.8 million in 1H23 to \$11.7 million in 1H24. After deducting provision for income tax expense of \$1.5 million, the Group's net profit increased by 78% from \$5.7 million in 1H23 to \$10.2 million in 1H24.

Profit after tax attributable to owners of the parent increased by 84% from \$5.3 million for 1H23 to \$9.8 million for 1H24.

Statement of Financial Position

As at 30 June 2024, the Group has cash and cash equivalents of \$32.3 million while bank borrowings plus finance leases amounted to \$76.5 million. As at 31 December 2023, the Group has cash and cash equivalents of \$34.0 million while bank borrowings plus finance leases amounted to \$80.3 million.

Current Assets

Trade and other receivables as at 30 June 2024 increased to \$35.8 million from \$31.2 million as at 31 December 2023. The increase of \$4.6 million was mainly due to the loan amount due from EM2AI Pte. Ltd. now recognised as a third-party receivables following the deconsolidation exercise in March 2024 and increase in profit guarantee receivables offset by decrease in trade receivables from the medical laboratory and the Group's medical clinics as well as credit card and NETS receivables from the Singapore dental clinics.

Other assets as at 30 June 2024 decreased to \$3.5 million from \$3.6 million as at 31 December 2023. The decrease of \$0.1 was mainly due to amortisation of sign on bonus to dentists in 1H24.

Non-Current Assets

The net book value of ROU asset as at 30 June 2024 decreased to \$42.9 million from \$46.6 million as at 31 December 2023. The decrease of \$3.7 million was due to depreciation of the ROU assets offset by renewal of ROU assets.



Investment in associates as at 30 June 2024 increased to \$25.9 million from \$24.6 million as at 31 December 2023. The increase of \$1.3 million due to the deconsolidation of EM2AI from a subsidiary to an associate of the Group as well as share of profit from equity-accounted associate, Aoxin Q & M in 1H24.

Other intangible assets as at 30 June 2024 decreased to \$0.7 million from \$4.7 million as at 31 December 2023. The decrease of \$4.0 million was mainly due to the deconsolidation of EM2AI from a subsidiary to an associate in March 2024.

Other receivables as at 30 June 2024 increased to \$2.5 million from \$2.4 million in 31 December 2023. The increase was due to increase in loan to dentists of the Company offset by the repayment of loan by the dentists of the Company.

Other assets as at 30 June 2024 decreased to \$7.0 million from \$8.0 million as at 31 December 2023. The decrease of \$1.0 million was due to amortisation of sign on bonus for dentists.

Current Liabilities

Trade and other payables as at 30 June 2024 decreased to \$16.7 million from \$19.2 million as at 31 December 2023. The decrease of \$2.5 million was mainly due to payment of professional fees to dentists, doctors and staff bonuses which were accrued as at 31 December 2023.

Other financial liabilities as at 30 June 2024 decreased to \$0.5 million from \$1.1 million as at 31 December 2023. The decrease of \$0.6 million was due to decrease in bills payable from the dental equipment & supplies company in Malaysia.

Non-Current Liabilities

Lease liabilities from ROU assets as at 30 June 2024 decreased to \$35.7 million from \$39.2 million as at 31 December 2023. The decrease of \$3.5 million was mainly due to repayment of operating lease offset by renewal of operating leases.

Other financial liabilities as at 30 June 2024 decreased to \$76.0 million from \$79.2 million as at 31 December 2023. The decrease of \$3.2 million was due to repayment of bank loan.

Statement of Cash Flows

The Group generated net cash flow from operating activities of \$17.3 million in 1H24. This was mainly derived from the profit generated from operations in 1H24 offset by decrease in trade and other payables, increase in trade and other receivables and income taxes paid.

Net cash used in investing activities in 1H24 amounted to \$1.1 million, mainly due to the purchase of plant and equipment for the existing and new dental clinics off set by decrease in sign on bonus for dentists.

Net cash used in financing activities in 1H24 was \$17.9 million, mainly due to repayment of lease liabilities arising from right-of use assets, dividend payment to shareholders and repayment of bank loans.

Consequent to the above factors, the Group's cash and cash equivalents was \$32.3 million as at 30 June 2024.



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

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

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

Industry Prospects

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

Recent Developments

- Placement of 520,000 Treasury Shares in the Capital of Q & M Dental Group (Singapore) Limited

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

As at 30 June 2024, the Company has not utilised the proceeds raised from the placement for general working capital purposes.

- Update From Acumen Diagnostics Pte. Ltd. (“Acumen”)

On 29 June 2024, the Company announced that Acumen, a subsidiary of the Company, had placed Dr. Ong Siew Hwa (“Dr. Ong”), the chief executive officer of Acumen, on a leave of absence. The Board understands that this is to facilitate investigations by the Acumen board into Dr. Ong’s acquisition of an indirect interest in the assets of a supplier of Acumen and ancillary issues arising from it. Dr. Ong is also an executive director of Aoxin Q & M Dental Group Limited, an associate company of the Group.

- Announcement of Arbitral award

On 15 July 2024, the Company announced that the Group’s wholly-owned subsidiary, Q & M Dental Group (Malaysia) Sdn Bhd (“QDGM”), obtained an arbitral award from the Singapore International Arbitration Centre against (i) Tye Chee Wah (“TCW”); (ii) Chong Vooi Seong (“CVS”); (iii) Chan Sing Cheong (“CSS”), who are the remaining 30% shareholders of AR Dental Supplies Sdn Bhd (“AR Dental”), as well as (iv) Pride Access Sdn Bhd (“Pride Access”, and collectively with TCW, CVS and CSS, the “Respondents”).



- Grant of Award of Ordinary Shares Pursuant to the Q & M Performance Share Plan 2018

On 20 July 2024, the Company announced the following grant of awards of ordinary shares to certain employees pursuant to the Q & M Performance Share Plan 2018. A total of 1,962,880 shares were granted at a market price of \$0.2750.

Future Plans

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

- Expansion of network of dental clinics in Singapore and the Asia Pacific region

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

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

The Group is continuously looking for opportunities to expand its dental business in the Asia Pacific region.

5. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	First Interim
Dividend type	Cash
Dividend amount per share (in cents)	0.40 cent per ordinary share
Tax rate	One tier tax exempt

(b) Corresponding Period of the immediately Preceding Financial Year

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

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

(c) The date the dividend is payable.

First Interim Dividend

The dividend will be paid on 2 September 2024.



(d) Book closure date

First Interim Dividend

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 20 August 2024 on which day no share transfer will be effected.

Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, up to 5.00 p.m. on 19 August 2024 will be registered to determine members' entitlements to the interim dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 19 August 2024 will be entitled to the payment of the interim dividend.

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

Not applicable.

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

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

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

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

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

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

On behalf of the Board of Directors

Dr Ng Chin Siau
Group CEO & Executive Director

Mr Lim Yeow Hua
Independent Non-Executive Director

12 August 2024