



Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Q & M Dental Group (Singapore) Limited

Stock code: QC7

Meeting details:

Date: 24 April 2023

Time: 2.30 p.m.

Venue: 2 Clementi Loop, #03-02 Logis Hub @ Clementi, Singapore 129809

Q1. As at the end of the financial year 31 December 2022, the group has expanded its network by 16 to 107 dental clinics in Singapore and 44 dental clinics in Malaysia. The total number of clinics in the group stands at 157.

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

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

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

(Adapted from company annual report)

- (i) **Did the COVID-19 pandemic cause the group to delay opening new clinics, and how does management plan to optimise the growth rate in the future?**
- (ii) **Can management also discuss how it sees improving the utilisation of existing clinics versus opening new clinics? Would it be more cost-effective to focus on improving clinic utilisation rates instead of opening new clinics, which can be capital intensive?**
- (iii) **What are the terms of the tender for the operation of the Joint Testing and Vaccination Centre? Would the group's revenue be based on the actual number of vaccinations administered?**
- (iv) **Could management provide more information about Q&M College? Does completion of the 6 modules offered by the college still lead to a graduate diploma? Is the graduate diploma nationally or internationally recognised? Is Q&M College open to dentists outside the group and outside of Singapore?**
- (v) **Could the board explain the rationale behind the group's direct investment in artificial intelligence (AI)? Does investing in AI development initiatives signify a potential deviation from the group's core competencies, as opposed to merely integrating AI applications into the organisation's existing operations?**

Q2. On 8 April 2023, the company announced that there are material variances between the unaudited financial statements and the audited financial statements for the financial year ended 31 December 2022 following the finalisation of audit.

The announcement on the unaudited financial results was first released via SGXNet on 1 March 2023. Following the finalisation of audit, the carrying amount of the company's cost of investment in Aoxin Q & M was reduced to its recoverable amount through a recognition of impairment loss of \$7,471,000 against the cost of investment.

- (i) **Can the audit committee (AC) provide further clarification to shareholders regarding the factors that contributed to the oversight?**
- (ii) **Before the finalisation of audit, did the AC discuss or consider the carrying value of the company's investments?**

The current accounting standards require an impairment assessment to be performed when there are indications of impairment.

- (iii) **Does the AC have a register of the major indicators of impairments? If so, what are they?**

Q3. As disclosed in the corporate governance report, the long-tenured independent directors, namely Mr Narayanan Sreenivasan, Mr Ng Weng Sui Harry and Prof Toh Chooi Gait, will remain as independent directors until the conclusion of the AGM of the company for the financial year ending 31 December 2023 pursuant to the Transition Practice Note 4 Transitional arrangements regarding the tenure limit for independent directors.

The directors were appointed on 14 October 2009, 14 October 2009 and 25 June 2013 respectively.

The need for transitional arrangements arose because Singapore Exchange Regulation (SGX RegCo) has recently, in January 2023, imposed a limit on the tenure of independent directors (IDs) who have served on the boards of listed issuers to nine years¹. This stemmed from recommendations by the Corporate Governance Advisory Committee (CGAC). There was broad market support for this change during the public consultation carried out by SGX RegCo.

Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.

- (i) **Has the nominating committee (NC) reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?**
- (ii) **What criteria has the NC established to identify and select a new board chairman?**
- (iii) **Would the concurrent cessation of three independent directors potentially disrupt the board's functioning? What steps will the board/NC take to ensure continuity, stability, and board renewal?**
- (iv) **Separately, can the NC elaborate further on the board evaluation process? What are the key findings from the most recent board evaluation?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

Join our mailing list [here](#) to receive latest news and upcoming events.

¹ <https://www.sgxgroup.com/media-centre/20230111-sgx-regco-caps-independent-directors-tenure-enhances-remuneration>



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