



**Q&M DENTAL GROUP (SINGAPORE) LIMITED**  
(Company Registration No. 200800507R)  
(Incorporated in the Republic of Singapore)

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**PROPOSED PLACEMENT OF 4,985,755 TREASURY SHARES IN THE CAPITAL OF  
Q&M DENTAL GROUP (SINGAPORE) LIMITED**

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**1. INTRODUCTION**

The Board of Directors of Q & M Dental Group (Singapore) Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 29 September 2022 entered into 7 separate placement letters (collectively, the "**Placement Letters**") with each of the Placees (as defined below), pursuant to which the Placees will subscribe for, and the Company will allot and issue to the Placees, an aggregate of 4,985,755 treasury shares (each a "**Placement Share**") in the capital of the Company at an issue price of S\$0.351 for each Placement Share (the "**Placement Price**"), amounting to an aggregate gross consideration of S\$1,750,000 (the "**Proposed Placement**").

As at the date of this Announcement, the Company has an issued and paid-up capital of 939,442,940 ordinary shares (excluding treasury shares) ("**Shares**"). Immediately following the completion ("**Completion**") of the Proposed Placement, the Company will have an enlarged issued and paid-up capital of 944,428,695 Shares. The Placement Shares represents approximately 0.53% of the issued Shares of the Company as at the date of this Announcement and approximately 0.53% of the issued Shares comprised in the enlarged share capital of the Company immediately after the completion of the Proposed Placement.

**2. DETAILS OF THE PROPOSED PLACEMENT**

**2.1 Placees and Placement Shares**

Pursuant to the Placement Letters, the following persons (the "**Placees**") will subscribe for, and the Company will allot and issue to them, the Placement Shares at the Placement Price in the numbers and for the consideration set out below:

<b>Name of Placee</b>	<b>Number of Placement Shares</b>	<b>Percentage of shareholding of the enlarged share capital of the Company</b>	<b>Consideration issued (S\$)</b>
Amy Chang Yia Hui	712,251	0.075%	250,000
Foo Chia Wei Tabitha	854,701	0.090%	300,000
Karan Singh Ubhi	1,424,501	0.151%	500,000
Ng Jian Tong Roy	569,801	0.060%	200,000
Tay Eu-Jin	284,900	0.030%	100,000
Wee Chwee Lin Fay	284,900	0.030%	100,000
Wong Wei Wei	854,701	0.090%	300,000

The Placees are key dentists ("**Key Dentists**") of the Group. The Company did not appoint any placement agent for purposes of the Proposed Placement, and no commission or introduction fees is payable by the Company.

The Placement Shares will be allotted from the Company's treasury shares. As at the date of this Announcement, the Company has 26,422,407 treasury shares. Upon completion of the Placement, the Company's treasury shares will be 21,436,652.

The Proposed Placement will not result in a change of controlling interest in the Company. The Placees are also not related to any Directors or substantial shareholders of the Company and do not fall within the category of persons listed in Rule 812(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Placement Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, before the completion of the Proposed Placement.

## 2.2 Placement Price

The Placement Price of S\$0.351 is equivalent to the weighted average price for trades done on the Shares of the Company on the SGX-ST for the full market day on 29 September 2022, being the market day on which the Placement Letters were executed.

The Placement Price was arrived at after taking into account, among others, the prevailing market price of the Shares and after arm's length negotiation between the Company and the Placees on a "willing buyer willing seller" basis.

## 2.3 No Additional Listing Application or Prospectus

The Company will not be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST as the Placement Shares will be allotted from the Company's treasury shares.

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Future Act 2001 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement

## 2.4 Conditions Precedent

Completion of the Proposed Placement is conditional upon, amongst others:

- (a) the allotment, issue and subscription of the Placement Shares and all the transactions contemplated in the Placement Letters not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority; and
- (b) the representations, warranties and undertakings by the Placees remaining true and correct in all material respects and each of the Placees and the Company having performed all of its/his obligations under the Placement Letters to be performed on or before Completion.

## 2.5 Completion

Completion of the Proposed Placement will take place on the date falling fifteen (15) days (or such other date as may be agreed between the Company and the Placees) from the date of the Placement Letters.

## 2.6 Rationale and Use of Proceeds

The Board is approached from time to time by its dentists to seek opportunities to invest in the equity of the Company. While the Board has the ability to allow such dentists to participate in the equity of the Company through share-based incentive schemes such as Q & M Performance Share Plan 2018 ("**PSP Plan**"), the Board is limited by the rules of the said schemes. Utilization of such schemes also impact the bottom line of the Group. The Board is of the view that a placement exercise to its own dentists benefits the Group in two ways:

- (a) it allows the Group's key dentists to participate in the equity of the Company by investing their own funds, thereby aligning their interests with those of the Group. An alignment of interest promotes greater dedication, loyalty and higher standards of performance amongst dentists; and
- (b) it strengthens the capital base of the Company and increases the Company's public spread, which has the potential to improve the level of trading liquidity of its Shares

The Key Dentists are the recipients of awards under the PSP Plan as announced by the Company in its announcement dated 29 September 2022. They have each signed twelve-year service agreement with the Company and have expressed their interest to subscribe for further Shares. The Board understand that the Key Dentists intend to enter into an arrangement similar to that entered into between the founding dentists of the Group in respect of the Company's controlling shareholder, Quan Min Holdings Pte. Ltd., in order to hold their Shares in the Company. The Board understands that the Key Dentists are in the process of incorporating a new company, "Quan Min Plus 2" to hold their Shares. The Board notes that a similar voluntary arrangement was entered into by another 9 next-gen dentists on the Group through a company called Quan Min Plus Pte. Ltd., as announced by the Company on 23 October 2020.

The Board welcomes the decision of the Key Dentists to commit to the success of the Group by aligning their individual interests with each other and with earlier generations. Originally Quan Min Holdings Pte Ltd followed by Quan Min Plus Pte. Ltd. and now Quan Min Plus 2 are vehicles that Group's high-performing dentist have voluntarily set up to preserve the value of their individual interests in the Group. The Board believes that this approach is responsible for the Group's success and stability.

The Key Dentists have agreed to participate in the Proposed Placement by committing their personal funds. This demonstrates their faith in the Group's future and their commitment to the cause of the Group. The Board believes that the Proposed Placement provides an effective manner of motivating the Key Dentists to maximise their performance by investing in the Group's future, which will in turn create better value for the Company and its shareholders.

The estimated net proceeds (the "**Net Proceeds**") from the Proposed Placement, after deducting estimated expenses, will amount to approximately S\$1,700,000.00.

The Company intends to use all of the Net Proceeds of approximately S\$1,700,000.00 for its general working capital purposes, in the following manner: 40% business expansion, 30% operating expenses and 30% loan repayment.

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the directors may, in their absolute discretion, deem fit in the interests of the Company from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and is in accordance with the percentage allocated and provide a status report of the use of proceeds from the Proposed Placement in the Company's annual report.

### 3. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The tables illustrating the financial effects of the Proposed Placement, on (i) the net tangible assets ("NTA") per Share of the Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earning per Share ("EPS") of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021") are set out below.

#### 3.1 NTA per Share

Assuming the Proposed Placement had been completed on 31 December 2021, the financial effects on the NTA per Share of the Group as at 31 December 2021 are as follows:

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
NTA <sup>1</sup> attributable to equity holders of the Company (S\$)	37,672,000	37,672,000
Number of Shares	939,442,940	944,428,695
Effect of the Proposed Placement on the NTA per Share (S\$ cents)	4.0	4.0

Notes:

(1) NTA means total assets less total liabilities, non-controlling interests and intangible assets.

#### 3.2 Earnings per Share

Assuming the Proposed Placement had been completed on 1 January 2021, the financial effect on the EPS of the Group for FY2021 are as follows:

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
Net profit attributable to equity holders of the Company (S\$)	30,471,000	30,471,000
Weighted average number of shares	943,738,000	948,723,755
Effect of the Proposed Placement on the EPS (S\$ cents)	3.2	3.2

It should be noted that the above financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the financial results and financial position of the Company and the Group immediately after the completion of the Proposed Placement.

#### **4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Placement (other than their direct or indirect shareholdings in the Company).

#### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Placement Letters are available for inspection at the Company's registered office at 2 Clementi Loop, #04-01 Logis Hub @ Clementi Singapore 129809 during normal business hours for three (3) months from the date of this Announcement.

#### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

#### **BY ORDER OF THE BOARD**

Q & M Dental Group (Singapore) Limited

Ng Sook Hwa  
Chief Financial Officer  
29 September 2022