CIRCULAR DATED 11 APRIL 2021

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

This Circular is issued by Q & M Dental Group (Singapore) Limited (the "Company", and together with its subsidiaries, the "Group"). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular and the Proxy Form to the Notice of Annual General Meeting (as defined herein) in the Annual Report (as defined below) to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

This Circular is issued to you together with the Group's (as defined herein) Annual Report for the financial year ended 31 December 2020 (the "Annual Report"). The resolution proposed to be passed in relation to the above matter is set out in the Notice of AGM attached to the Annual Report.

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	24 April 2021 at 3.00 p.m.
Last date and time to pre-register online to attend the Annual General Meeting		22 April 2021 at 3.00 p.m.
Date and time of Annual General Meeting	:	26 April 2021 at 3.00 p.m.
Place of Annual General Meeting	:	To be held by electronic means

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Except where the context otherwise requires, the following definitions apply throughout the Circular:

"**2020 AGM**"	:	The AGM of the Company held on 16 June 2020.
"**2021 AGM**"	:	The AGM of the Company to be held on 26 April 2021 at 3.00 p.m. (or any adjournment thereof).
"**ACRA**"	:	Accounting and Corporate Regulatory Authority.
"**Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time.
"**AGM**"	:	Annual general meeting of the Company.
"**Annual Report**"	:	The Group's annual report for the financial year ended 31 December 2020.
"**Approval Date**"	:	The date of the 2021 AGM at which the proposed renewal of the Share Buy-Back Mandate is approved.
"**Associate**"	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.
"**Average Closing Price**"	:	Has the meaning ascribed to it in Section 2.3(d) of this Circular.
"**Board**"	:	The board of Directors for the time being.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**Circular**"	:	This circular to Shareholders dated 11 April 2021 in respect of the proposed renewal of the Share Buy-Back Mandate.
"**Company**"	:	Q & M Dental Group (Singapore) Limited.
"**Constitution**"	:	The constitution of the Company, as amended or modified from time to time.

"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of all voting shares in the Company, unless determined by SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company.
"**Directors**"	:	The directors of the Company for the time being.
"**EPS**"	:	Earnings per Share.
"**FY**"	:	The financial year ended 31 December.
"**Group**"	:	The Company and its subsidiaries.
"**Latest Practicable Date**"	:	29 March 2021, being the latest practicable date prior to the printing of this Circular.
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
"**Listing Rules**"	:	The listing rules of the SGX-ST as set out in the Listing Manual.
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities.
"**month**"	:	A calendar month.
"**Notice of AGM**"	:	The notice of AGM dated 11 April 2021.
"**NTA**"	:	Net tangible assets.
"**Off-Market Share Purchase**"	:	A Share Purchase by the Company effected pursuant to an equal access scheme, which is in accordance with Section 76C of the Act, for the purchase of Shares from the Shareholders.
"**On-Market Share Purchase**"	:	A Share Purchase by the Company effected on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purchase.
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account.
"**SFA**"	:	The Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Share Buy-Back Mandate**"	:	The general mandate from the Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares in accordance with the terms of such mandate.

"**Share Purchase**"	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.
"**Shareholders**"	:	The registered holders of Shares in the register of members of the Company, except that where the registered holder is the CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited.
"**Shares**"	:	Ordinary shares in the capital of the Company.
"**SIC**"	:	Securities Industry Council of Singapore.
"**Substantial Shareholder**"	:	A person who has an interest in the Shares, the total votes attached to which are not less than five per cent. (5%) of the total votes attached to all the voting shares of the Company.
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may be issued, amended or modified from time to time.
"**treasury shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Act applies and have been held by the Company continuously since the treasury share was so purchased.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, unless otherwise stated.
"**%**" or "**per cent**."	:	Per centum or percentage.

The expressions "**acting in concert**" shall have the respective meanings ascribed to them in the Take-over Code.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term "**subsidiary**" has the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the table included in this Circular between the listed amounts and the totals are due to rounding. Accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

Directors:

Mr Narayanan Sreenivasan	(Independent Non-Executive Chairman)
Dr Ng Chin Siau	(Executive Director and Group Chief Executive Officer)
Dr Ang Ee Peng Raymond	(Executive Director and Chief Operating Officer)
Mr Ng Weng Sui Harry	(Independent Non-Executive Director)
Prof Toh Chooi Gait	(Independent Non-Executive Director)
Mr Chik Wai Chiew (Zhi Weichao)	(Non-Independent Non-Executive Director)
Dr Kuan Chee Keong	(Alternate Director to Dr Ng Chin Siau)
Dr Chong Kai Chuan	(Alternate Director to Dr Ang Ee Peng Raymond)

Registered Office:

2 Clementi Loop
#04-01 Logis Hub @ Clementi
Singapore 129809

11 April 2021

To: The Shareholders of **Q & M DENTAL GROUP (SINGAPORE) LIMITED**

Dear Sir / Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

1.1. 2021 AGM

The Directors wish to refer to (i) the Notice of AGM dated 11 April 2021, convening the 2021 AGM; and (ii) Resolution 12 being the ordinary resolution for the proposed renewal of the Share Buy-Back Mandate to allow the Company to purchase or otherwise acquire shares in the capital of the Company.

1.2. Circular

The purpose of this Circular is to provide Shareholders with the relevant information in relation to the above, and to seek the approval of Shareholders at the 2021 AGM for the matters set out in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1. Background

It is a requirement under the Act and the Listing Rules that the Company obtain approval of Shareholders to purchase or acquire shares in the capital of the Company at a general meeting. In this regard, Shareholders had approved the adoption of the Share Buy-Back Mandate at the extraordinary general meeting of the Company held on 26 April 2013 and last renewed the Share Buy-Back Mandate at the 2020 AGM (the "**2020 Mandate**"). The 2020 Mandate will be expiring on 26 April 2021, being the date of the forthcoming 2021 AGM.

Accordingly, the Directors propose that the Share Buy-Back Mandate be renewed at the 2021 AGM. If the proposed renewal of the Share Buy-Back Mandate is approved by Shareholders at the 2021 AGM, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the next AGM (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM).

2.2. Rationale for the Share Buy-Back Mandate

The proposed renewal of the Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire the Shares of the Company if and when circumstances permit. The Directors believe that the Share Buy-Back Mandate provides the Company and its Directors with a mechanism to facilitate the return of any surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

Share Purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group, and will only be made when the Directors believe that such Share Purchases would benefit the Company and its Shareholders.

Shareholders should note that Share Purchases will only be made when the Directors believe that such Share Purchases would not result in a material adverse effect on the financial position or listing status of the Company.

2.3. Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are set out below:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than ten per cent. (10%) of the issued share capital of the Company, ascertained as at the Approval Date, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. For the purposes of calculating the percentage of issued Shares above, any subsidiary holdings or Shares which are held as treasury shares will be disregarded. As at the Latest Practicable Date, the Company has 17,579,173 treasury shares and has no subsidiary holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 787,308,627 Shares (excluding 17,579,173 treasury shares) and assuming that no further Shares are issued on or prior to the 2021 AGM, not more than 78,730,862 Shares (representing ten per cent. (10%) of the issued and paid-up share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

(b) **Duration of Authority**

Share Purchases may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(i) the conclusion of the next AGM or the date by which such AGM is required by law to be held;

(ii) the date on which the buy-back of the Shares are carried out to the full extent mandated; or

(iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

The Share Buy-Back Mandate may be renewed at each AGM or other general meeting of the Company.

(c) **Manner of Share Purchase**

Share Purchases may be made by way of, amongst others:

(i) On-Market Share Purchases, transacted on the SGX-ST through the SGX-ST's ready market trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) Off-Market Share Purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). However, an Off-Market Share Purchase must satisfy all the following conditions:

(i) the offers for the Share Purchase shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:

(A) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

(B) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and

(C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed Share Purchase;

(iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;

(vi) details of any Share Purchases made by the Company in the previous twelve (12) months (whether On-Market Share Purchases or Off-Market Share Purchases in accordance with an equal access scheme), giving the total number of Shares

purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) **Maximum Purchase Price**

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to a Share Purchase must not exceed:

(i) in the case of an On-Market Share Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Share Purchase pursuant to an equal access scheme, up to one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase by the Company or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases were made; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

2.4. Status of Shares Purchased by the Company

(a) **Cancellation**

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

(b) **Treasury Shares**

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(i) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed.

A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

(A) sell the treasury shares for cash;

(B) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(C) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(D) cancel the treasury shares; or

(E) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, Rule 704(28) of the Listing Manual requires that the Company immediately announce any sale, transfer, cancellation and/or use of treasury shares stating the following:

(A) date of the sale, transfer, cancellation and/or use;

(B) purpose of such sale, transfer, cancellation and/or use;

(C) number of treasury shares sold, transferred, cancelled and/or used;

(D) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(E) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(F) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5. Reporting Requirements

The Act and the Listing Rules require the Company to make reports in relation to the Share Buy-Back Mandate as follows:

(a) within thirty (30) days after the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Directors shall lodge a copy of such resolution with ACRA;

(b) within thirty (30) days after a purchase of Shares on the SGX-ST or otherwise, the Directors shall lodge with ACRA the notice of the purchase in the prescribed form with the following particulars:

(i) the date of the purchase;

(ii) the total number of Shares purchased by the Company;

(iii) the total number of Shares cancelled;

(iv) the number of Shares held as treasury shares;

(v) the Company's issued share capital before and after the purchase of Shares;

(vi) the amount of consideration paid by the Company for the purchase;

(vii) whether the Shares were purchased out of profits or the capital of the Company; and

(viii) such other particulars as may be required in the prescribed form;

(c) within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form;

(d) purchases of Shares must be reported to the SGX-ST in the forms prescribed by the Listing Rules and announced to the public in the case of On-Market Share Purchases, not later than 9.00 a.m. on the Market Day following the day of purchase of any of its Shares and in the case of Off-Market Share Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company; and

(e) in its annual report and accounts, the Company shall make disclosure of details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases, and where relevant, the total consideration paid.

2.6. Source of Funds

The Company may only apply funds legally available for such Share Purchases in accordance with its Constitution, and the applicable laws in Singapore. The Act permits the Company to make Share Purchases out of the Company's capital or profits so long as the Company is solvent and any payments for the Share Purchases by the Company shall include any expenses (including brokerage or commission) incurred directly in the Share Purchase. The Company may not buy Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to Section 76F(4) of the Act, the Company is solvent if the following conditions are satisfied:

(a) there is no ground on which the Company could be found to be unable to pay its debts;

(b) if –

(i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and

(c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any proposed purchase of Shares, acquisition, variation or release of the Company's obligations (as the case may be), become less than the value of its liabilities (including contingent liabilities).

When Shares are purchased or acquired, and cancelled:

(a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including any expenses, such as brokerage or commission incurred directly in the purchase or acquisition of the Shares) (the "**Purchase Price**");

(b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or

(c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings to finance Share Purchases pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.7. Financial Impact

(a) **General**

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited financial statements of the Company for FY2020 and are not necessarily representative of the future financial performance of the Group. Although the proposed Share Buy-Back Mandate would authorise the Company to buy back up to ten per cent. (10%) of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back the said ten per cent. (10%) of the issued Shares in full.

(b) **Financial Effects of the Share Buy-Back Mandate**

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions that may be made pursuant to the Share Buy-Back Mandate, as it would depend on factors such as the aggregate number of Shares purchased or acquired, the Purchase Price paid at the relevant time, the amount (if any) borrowed by the Company

to fund the purchases, whether the Share Purchase is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The Purchase Price paid by the Company for the Shares will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, the prevailing market conditions and the financial position of the Group. The proposed Share Buy-Back Mandate will be exercised with a view to enhance the earnings and/or NTA value per Share of the Company. The financial effects presented in this Section 2.7 of this Circular are based on the assumptions set out below.

(i) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 787,308,627 issued Shares (excluding 17,579,173 treasury shares).

(ii) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 787,308,627 Shares in issue as at the Latest Practicable Date, disregarding the 17,579,173 ordinary shares held in treasury, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2021 AGM, the purchase by the Company of ten per cent. (10%) of its issued Shares will result in the purchase of 78,730,862 Shares.

In the case of On-Market Share Purchases by the Company and assuming that the Company purchases or acquires 78,730,862 Shares at the Maximum Price of S$0.628 for each Share (being the price equivalent to one hundred and five per cent. (105%) of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 78,730,862 Shares is S$49,442,981.34.

In the case of Off-Market Share Purchases by the Company and assuming that the Company purchases or acquires 78,730,862 Shares at the Maximum Price of S$0.718 for each Share (being the price equivalent to one hundred and twenty per cent. (120%) of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 78,730,862 Shares is S$56,528,758.92.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

(A) the Share Buy-Back Mandate had been effective on 1 January 2020;

(B) the Company had purchased or acquired 78,730,862 Shares (representing ten per cent. (10%) of its total number of issued Shares as at the Latest Practicable Date);

(C) such Share Purchases are funded solely by internal resources; and

(D) the purchased Shares are held as treasury shares,

the financial effects on the audited financial statements of the Group for FY2020 would be as follows:

Group	On-Market Share Purchase		Off-Market Share Purchase	
	Before	After	Before	After
As at 31 December 2020				
Shareholders' funds (S$'000)	121,080	71,637	121,080	64,551
NTA[(1)] (S$'000)	65,495	16,052	65,495	8,966
Current assets (S$'000)	86,280	36,837	86,280	29,751
Current liabilities (S$'000)	30,246	30,246	30,246	30,246
Working capital (S$'000)	56,034	6,591	56,034	(495)
Net debt[(2)] (S$'000)	28,625	78,068	28,625	85,154
Number of Shares	787,308,627	708,577,765	787,308,627	708,577,765
Financial ratios				
NTA per Share (cents)[(3)]	0.08	0.02	0.08	0.01
Gearing (times)	0.24	1.09	0.24	1.32
Current ratio (times)[(4)]	2.85	1.22	2.85	0.98
Basic EPS (cents)[(5)]	2.50	2.78	2.50	2.78

Notes:-

(1) NTA equals to net asset value less intangible assets.

(2) Net debt means total borrowing less cash and cash equivalents.

(3) NTA per Share equals NTA divided by the number of Shares as at 31 December 2020, excluding treasury shares.

(4) Current ratio means current assets divided by current liabilities.

(5) The basic EPS equals profit attributable to owners of the Company divided by the weighted average number of 786,987,212 Shares in issue during FY2020.

The financial effects set out above are for illustrative purposes only. Although the Share Buy-Back Mandate would authorise the Company to purchase up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased, or hold all or part of the Shares repurchased in treasury. The above analysis is based on historical numbers as at 31 December 2020, and is not necessarily representative of future financial performance.

2.8. Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy-Back Mandate, or who may be subject to tax in a jurisdiction other than Singapore, should consult their own professional advisers.

2.9. Interested Persons

The Company is prohibited from knowingly buying Shares on the Official List of the SGX-ST from an interested person, that is, a Director, the chief executive officer or a Controlling Shareholder of the Company, or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.10. Listing Rules

(a) The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of the total number of issued Shares excluding treasury shares is at all times held by the public. The "public" is defined under "Definitions and Interpretation" of the Listing Manual as persons other than the directors, chief executive officer, Substantial Shareholders and Controlling Shareholders of the Company or its subsidiary companies, as well as the Associates of such persons.

As at the Latest Practicable Date, 266,050,253 Shares representing 33.79% of the issued share capital of the Company are held in the hands of the public. For illustrative purposes only, assuming that the Company repurchased the maximum of ten per cent. (10%) of its issued share capital as at the Latest Practicable Date from members of the public by way of an On-Market Share Purchase, the percentage of Shares held by the public would be approximately 26.44%.

Accordingly, the Company is of the view that there are a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Purchases up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST.

The Directors will use their best efforts to ensure that the Company does not effect Share Purchases if the Share Purchases would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status and orderly trading of the Shares of the Company.

(b) While the Listing Manual does not expressly prohibit any purchase by a listed company of its shares during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any Share Purchases at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with Rule 1207(19) of the Listing Manual, the Company will observe the best practices on dealings in securities, such that the Company will not purchase or acquire any Shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its FY and one (1) month before the announcement of its full year financial statements.

2.11. Take-over Code Implications arising from Share Purchases

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note as applicable as at the Latest Practicable Date ("**Appendix 2**"). The take-over implications arising from any Share Purchase by the Company are set out below.

(a) **Obligation to make a take-over offer**

Pursuant to the Take-over Code, an increase in a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Purchase by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a Shareholder and persons acting in concert with him will incur an obligation to make a mandatory take-over offer if, amongst others, they increase their voting rights in the Company to thirty per cent. (30%) or more or, if they, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.

(b) **Persons acting in concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, amongst others, will be presumed to be acting in concert, namely:

(i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above companies for the purchase of voting rights;

(ii) a company with any of its directors (together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts);

(iii) a company with any of its pension funds and employee share schemes;

(iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser; and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

(vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts), which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;

(vii) partners; and

(viii) an individual with his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a Share Purchase by the Company are set out in Appendix 2.

(c) **Application of the Take-over Code**

In general terms, the effect of Rule 14 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by one per cent. (1%) in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with any Directors will not be required to make a take-over offer under Rule 14 if, as a result of any Share Purchase by the Company, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

Based on the shareholdings of the Directors as at the Latest Practicable Date, assuming (a) the Company purchases the maximum amount of ten per cent. (10%) of the issued Shares; and (b) there is no change in the number of Shares held or deemed to be held by the Directors prior to and after the exercise of the Share Buy-Back Mandate, none of the Directors and parties acting in concert with them will become obligated to make a mandatory take-over offer under Rule 14 in the event that the Company purchases the maximum number of 78,730,862 Shares pursuant to the Share Buy-Back Mandate. The interests of the Directors are disclosed in Section 3 below.

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Purchase by the Company.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any Share Purchase by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

2.12. Details of the Shares Bought by the Company in the preceding Twelve (12) Months

Information on the Share Purchases carried out by the Company during the 12 months preceding the Latest Practicable Date is set out below:

Date of Share Purchase	Type of Transaction	Total Number of Shares Purchased	Lowest Price Paid per Share (S$)	Highest Price Paid per Share (S$)	Total Consideration (S$)[1]
30 March 2020	On-Market Share Purchase	300,000	0.360	0.370	110,334.33
31 March 2020	On-Market Share Purchase	290,000	0.365	0.370	107,241.33
1 April 2020	On-Market Share Purchase	255,000	0.365	0.370	94,367.44
2 April 2020	On-Market Share Purchase	250,000	0.365	0.370	92,682.81
3 April 2020	On-Market Share Purchase	260,000	0.360	0.370	96,027.14

Date of Share Purchase	Type of Transaction	Total Number of Shares Purchased	Lowest Price Paid per Share (S$)	Highest Price Paid per Share (S$)	Total Consideration (S$)[1]
6 April 2020	On-Market Share Purchase	20,000	0.365	0.365	7,346.30
7 April 2020	On-Market Share Purchase	40,000	0.360	0.365	14,508.73
8 April 2020	On-Market Share Purchase	250,000	0.360	0.365	91,601.60
9 April 2020	On-Market Share Purchase	300,000	0.365	0.375	111,127.87

Note:-

(1) Inclusive of stamp duties, clearing charges, etc, paid or payable for the Shares.

All the purchased Shares were held as treasury shares. The total number of treasury shares held by the Company as at the Latest Practicable Date is 17,579,173.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company in Shares, based on the Company's register of Directors' shareholdings and register of Substantial Shareholders' shareholdings respectively, are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%[2]	Number of Shares	%[2]	Number of Shares	%[2]
Directors						
Mr Narayanan Sreenivasan	420,000[1]	0.05	-	-	420,000	0.05
Dr Ng Chin Siau	-	-	428,740,276[3]	54.46	428,740,276	54.46
Dr Ang Ee Peng Raymond	-	-	-	-	-	-
Prof Toh Chooi Gait	-	-	-	-	-	-
Mr Ng Weng Sui Harry	240,000	0.03	-	-	240,000	0.03
Mr Chik Wai Chiew (Zhi Weichao)	-	-	-	-	-	-
Dr Chong Kai Chuan (Alternate Director to Dr Ang Ee Peng Raymond)	2,510,000[4]	0.32	-	-	2,510,000	0.32
Dr Kuan Chee Keong (Alternate director to Dr Ng Chin Siau)	-	-	-	-	-	-

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%(2)	Number of Shares	%(2)	Number of Shares	%(2)
Substantial Shareholders (other than Directors)						
Quan Min Holdings Pte. Ltd.(5)	428,639,276(6)	54.44	-	-	428,639,276	54.44
Heritas Helios Investments Pte. Ltd.	63,733,115(7)	8.10	-	-	63,733,115	8.10
IMC Heritas Investments Ltd.(8)	-	-	63,733,115	8.10	63,733,115	8.10
IMC Pan Asia Alliance Corporation(9)	-	-	63,733,115	8.10	63,733,115	8.10
Heritas Capital Management Pte. Ltd. (10)	-	-	63,733,115	8.10	63,733,115	8.10

Notes:-

(1) These shares are held in the name of various nominees.

(2) The percentage shareholding interest is computed based on 787,308,627 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(3) Dr Ng Chin Siau is deemed to have an interest in the shares held by:

(i) Quan Min Holdings Pte. Ltd. by virtue of Section 4 of the SFA; and

(ii) his spouse's, Foo Siew Jiuan, 101,000 ordinary shares.

(4) 581,700 shares are held in the name of various nominees.

(5) Quan Min Holdings Pte. Ltd. is an investment holding company incorporated in Singapore and is the Company's ultimate parent company.

(6) 384,218,600 shares are held in the name of various nominees.

(7) The entire shares are held in the name of Citibank Nominees Singapore Pte. Ltd..

(8) IMC Heritas Investments Ltd. is the owner of the entire share capital of Heritas Helios Investments Pte. Ltd..

(9) IMC Pan Asia Alliance Corporation is the owner of the entire share capital of IMC Heritas Investments Ltd., which is in turn the owner of the entire share capital of Heritas Helios Investments Pte. Ltd..

(10) Heritas Capital Management Pte. Ltd. is the discretionary investment manager of Heritas Helios Investments Pte. Ltd..

Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect in the Shares.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the resolution relating to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2021 AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this Circular 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 this Circular in its proper form and context.

6. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 2 Clementi Loop, #04-01 Logis Hub @ Clementi, Singapore 129809 during normal office hours from the date hereof up to and including the date of the 2021 AGM:

(a) the Constitution of the Company; and

(b) the Annual Report of the Company for FY2020.

Yours faithfully
for and on behalf of the Board of Directors of
Q & M Dental Group (Singapore) Limited

Dr. Ng Chin Siau
Executive Director and Group Chief Executive Officer
11 April 2021