



**Q & M DENTAL GROUP (SINGAPORE) LIMITED**  
(Company Registration Number 200800507R)  
(Incorporated in the Republic of Singapore)

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**THE PROPOSED ACQUISITION OF 51% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF EM2AI PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (“**Shareholders**”) that the Company has, on 31 March 2025, entered into a share purchase agreement (“**SPA**”) with EM2AI Professional HoldCo Pte. Ltd. (the “**Vendor**”) to acquire the remaining 51% of the entire issued and paid-up share capital of EM2AI Pte. Ltd. (“**EM2AI**”) from the Vendor (the “**Proposed Acquisition**”).
- 1.2 EM2AI was a wholly owned subsidiary of the Company before the completion of the investment by the Vendor and the Company’s partial loan conversion on 5 March 2024 (“**Previous Transaction**”). Since the completion of the Previous Transaction, EM2AI has been a 49% owned associated company of the Group. Please refer to the Company’s announcements dated 25 January 2024 and 5 March 2024 for more information regarding the Previous Transaction.
- 1.3 As the Vendor is controlled by the Group’s Executive Director and Chief Executive Officer, Dr. Ng Chin Siau (“**Dr. Ng**”), the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). For the avoidance of doubt, as the Group’s Chief Operating Officer and alternate Director to Dr. Ng, Dr. Ang Ee Peng Raymond (“**Dr. Raymond**”) holds an interest of less than 30% in the Vendor, the Vendor is not an associate (as defined in the Listing Manual) of Dr. Raymond and the Proposed Acquisition will not constitute an interested person transaction in respect of Dr. Raymond. Please refer to paragraph 3 of this announcement for further details on the Vendor and paragraph 6 of this announcement for further details on the Proposed Acquisition as an interested person transaction.

**2. INFORMATION ON EM2AI**

- 2.1 EM2AI is a private company incorporated in Singapore on 12 November 2018. It is principally engaged in developing artificial intelligence (“**AI**”) for dental pathology detection (“**AI Detection**”), dental treatment planning through clinical dental support system and clinic management system through integrated dental management system (“**IDMS**”). It has successfully rolled out IDMS and AI Detection to the Group’s clinics in Singapore and IDMS to the Group’s clinics in Malaysia. EM2AI has a wholly owned subsidiary, EM2AI Sdn. Bhd. (collectively with EM2AI, the “**EM2AI Group**”).
- 2.2 As at the date of this announcement:
- (a) EM2AI has an issued and paid-up share capital of S\$3,150,000 comprising of 3,150,000 ordinary shares;
  - (b) the directors of EM2AI are San Yi Leong @ Tan Yi Leong (“**Ryan San**”), the Group’s Chief Financial Officer, Ng Sook Hwa and Lim Toh Seong Andy;
  - (c) the Vendor and the Company hold an effective shareholding interest of 51% and 49% in EM2AI, respectively; and

(d) EM2AI is an associated company of the Group.

2.3 EM2AI is a loss-making entity and has incurred S\$1,385,833 in losses since its incorporation and up to 31 December 2024 on a de-consolidated basis. As at the date of this announcement, the Group is EM2AI's major customer.

### 3. INFORMATION ON THE VENDOR

3.1 The Vendor is a private company incorporated in Singapore on 28 June 2023 with an issued and paid-up share capital of S\$2,112,500 comprising 2,112,500 shares. It is an investment holding company and as at the date of this announcement, its shareholding structure is as follows:

<u>Name of Shareholder</u>	<u>Shareholding Percentage</u>	<u>Relationship with the Group</u>
Dr. Ng	58.53%	Executive Director and Group Chief Executive Officer
Dr. Raymond	9.47%	Group Chief Operating Officer and Alternate Director to Dr. Ng
Ryan San	4.73%	Chief Executive Officer of EM2AI and husband of Ng Sook Hwa
Other shareholders	27.27%	Other employees and dentists of the Group
<b>Total</b>	<b>100%</b>	

3.2 As at the date of this announcement, the directors of the Vendor are Dr. Ng, Dr. Raymond and Ryan San.

3.3 Upon completion of the Proposed Acquisition, the Vendor will no longer hold any shares in EM2AI, and EM2AI will become a wholly owned subsidiary of the Company.

### 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Directors are of the opinion that the Proposed Acquisition is beneficial for the Group for the following reasons:

- (a) the Group has been actively adopting digital solutions to improve operational efficiencies and patient outcomes. EM2AI's AI-driven software will accelerate the Group's transition to a fully digital dental ecosystem and help standardise treatment protocols across the Group's clinics, ensuring high-quality patient care;
- (b) since the completion of the Previous Transaction, EM2AI has undergone restructuring exercises, transitioning from its initial research and development phase to marketing its key solutions. As a result, EM2AI now has a positive cashflow and its future business prospects are expected to improve. EM2AI's collaboration with a dental solutions provider has enabled it to provide its dental AI solutions to over 1,100 clinics across Singapore, Malaysia, Thailand, Vietnam and Australia. Additionally, EM2AI has received new medical device licences in Thailand, Indonesia, Australia and the Philippines, on top of Singapore and Malaysia. These developments open up opportunities for EM2AI to enter new markets. This was announced by the Company on 31 March 2025, 24 March 2025, 20 January 2025, and 13 January 2025. Collaborations with strategic customers and opportunities to expand into new markets affirm EM2AI's ability to generate diversified income streams and strengthen the Group's potential for growth;

- (c) the Proposed Acquisition will allow the Group to consolidate 100% of EM2AI's potential revenue prospects and profitability, and improve the Group's overall financial performance;
- (d) full control of EM2AI enables the Group to maximise synergies, integrate operations and enhance efficiencies, as well as provide wholistic and cost-effective support towards the Group's strategic direction and growth plans. AI-driven dental technology is a key market differentiator and the Proposed Acquisition, granting the Group full ownership of EM2AI, will provide the Group with complete autonomy over EM2AI's ongoing development and enhancement of AI solutions. This positions the Group as the major dental group in the Southeast Asian region with proprietary AI capabilities;
- (e) in view of the Group's organic and inorganic expansion plans, the engagement of services from EM2AI will result in much higher volume of interested party transactions. EM2AI's provision of service as a subsidiary will eliminate possible implications under Chapter 9 of the Listing Manual on interested party transactions, and prevent inefficiencies and complexities of a partially-owner associate. This will result in better resource allocation;
- (f) the Proposed Acquisition will enable the Group to retain the existing EM2AI team thereby supporting continued innovation and product development essential to sustaining research and development efforts in dental AI applications. Key members in EM2AI team will be more confident under the employment of the Group, giving them the incentive to stay and grow together.

## 5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

### 5.1 Consideration

Pursuant to the SPA, the consideration for the sale of 1,606,500 ordinary shares in EM2AI from the Vendor to the Company is S\$1,760,000 ("**Consideration**"). The Consideration will be satisfied by the Company in cash on Completion (as defined in paragraph 5.4 below).

The Consideration was arrived at following arm's length negotiations between the Company and the Vendor on a willing-buyer and willing-seller basis, taking into consideration the value of EM2AI's registered capital and net assets value as at 31 December 2024, the Previous Transaction, the current financial position and future business prospects of EM2AI, the Board's assessment of the business and operations of EM2AI, and the potential benefits to the Group (as stated in paragraph 4 of this announcement).

### 5.2 Value attributable to EM2AI

The net assets value of EM2AI is S\$1,755,716. The open value of the shares of EM2AI is not available as the shares of EM2AI are not publicly traded. No independent valuation was conducted on EM2AI for the purpose of the Proposed Acquisition.

### 5.3 Conditions Precedent

Completion of the Proposed Acquisition under the SPA is conditional on the fulfilment of, *inter alia*, the following conditions:

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

## 5.4 Completion

Completion of the Proposed Acquisition (“**Completion**”) will take place on the earlier of:

- (a) the date falling two (2) Business Days after the date on which the last of the conditions precedent (in the SPA) has been fulfilled or waived (as the case may be); or
- (b) such other date as the parties may agree in writing.

## 6. INTERESTED PERSON TRANSACTION

### 6.1 The Proposed Acquisition as an Interested Person Transaction

Chapter 9 of the Listing Manual governs transactions a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

For the purposes of Chapter 9 of the Listing Manual:

- (a) an “entity at risk” means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (b) an “interested person” means a director, chief executive officer or controlling shareholder of a listed company, or an associate (as defined in the Listing Manual) of such director, chief executive officer or controlling shareholder; and
- (c) an “interested person transaction” means a transaction between an entity at risk and an interested person and includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

Further to paragraphs 1.2 and 2 above, in relation to the Proposed Acquisition:

- (a) the Company is an “entity at risk” as defined under Rule 904(2) of the Listing Manual in relation to the Proposed Acquisition; and
- (b) the Vendor is considered an “interested person” as defined in Rule 904(4) of the Listing Manual.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Listing Manual.

### 6.2 Total Value of Interested Person Transactions with the Same Interested Person

The total aggregate value of all interested person transactions entered into between the Group and the Vendor (excluding transactions which are less than S\$100,000 but includes the Proposed Acquisition) (“**Relevant IPTs**”) for the current financial year ending 31 December 2025 (“**FY2025**”) is approximately S\$2,077,000 (“**Total Value**”). Save as disclosed above, there are no other disclosable interested person transactions entered into by the Company with the Vendor during the course of FY2025.

The Total Value represents approximately 4.7% of the Group's latest audited net tangible asset ("NTA") of S\$44,032,000 as at 31 December 2023.

As the Total Value does not exceed 5% of the Group's latest audited NTA, the Company is not required to seek shareholders' approval pursuant to Rule 906(1)(b) of the Listing Manual for the Relevant IPTs (including the Proposed Acquisition).

### 6.3 Audit Committee

As at the date of this announcement, the audit committee of the Company comprises of Lim Yeow Hua, Tan Teck Koon and Chew Chong Yin ("**Audit Committee**"). The Audit Committee of the Company has considered and reviewed the terms of, the rationale for and benefit of the Relevant IPTs (including the Proposed Acquisition) and is of the view that the Relevant IPTs (including the Proposed Acquisition) are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

### 7.1 Bases and Assumptions

For illustrative purposes only, the *pro forma* financial effects of the Proposed Acquisition set out below were prepared based on the Group's latest unaudited financial statements for the financial year ended 31 December 2024 and subject to, *inter alia*, the following assumptions:

- (a) the *pro forma* financial effects of the Proposed Acquisition on the share capital, NTA per share of the Company ("**Shares**"), earnings/loss per Share and net gearing of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Company or the Group after the completion of the Proposed Acquisition;
- (b) for purposes of computing the effect of the NTA value attributable per Share and net gearing of the Group, it is assumed that the Proposed Acquisition was completed on 31 December 2024;
- (c) for purposes of computing the effect of the Proposed Acquisition on the earnings/loss per Share, it is assumed that the Proposed Acquisition was completed on 1 January 2024; and
- (d) the expenses incurred in connection with the Proposed Acquisition amount to approximately S\$20,000.

### 7.2 Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Issued share capital (S\$)	75,903,000	75,903,000
Number of Shares	948,925,820	948,925,820

### 7.3 NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA <sup>(1)</sup> (S\$)	55,723,000	50,642,000
Total Number of Shares	948,925,820	948,925,820
NTA per Share (cents)	5.87	5.34

**Note:**

- (1) NTA means total assets less the sum of total liabilities, goodwill and intangible assets.

#### 7.4 Earnings/Loss per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings/Loss attributable to the owners of the Company (S\$)	14,637,000	15,060,000
Weighted average number of issued shares	947,355,003	947,355,003
Earnings/Loss per Share - Basic (cents)	1.55	1.59

#### 7.5 Net Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Net debt (S\$)	39,401,000	40,373,000
Total equity (S\$)	108,507,000	109,194,000
Net gearing ratio <sup>(1)</sup> (times)	0.36	0.37

**Note:**

- (1) Net gearing ratio is defined as net debt divided by total equity. The Group includes interest bearing bank loans less cash and bank balances.

### 8. CHAPTER 10 OF THE LISTING MANUAL

- 8.1 Based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2024 (“FY2024”), the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006(a) to 1006(e) of the Listing Manual are set out below.

Rule	Basis of Calculation	Relative Figure
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. <sup>(1)</sup> This basis is not applicable to an acquisition of assets.	Not applicable <sup>(2)</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. <sup>(3)</sup>	-2.5% <sup>(4)</sup>
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	0.6% <sup>(5)</sup>
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(6)</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable <sup>(7)</sup>

**Notes:**

- (1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities.
- (2) Rule 1006(a) of the Listing Manual is not applicable as the Proposed Acquisition does not involve a disposal of assets.
- (3) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Computed based on the unaudited net loss before tax attributable to 51% of EM2AI of approximately S\$364,000 for FY2024 and the net profit before tax of the Group of approximately S\$14,752,000 for FY2024.
- (5) The market capitalisation of S\$280,502,000 is calculated based on the volume weighted average price of S\$0.2956 on 28 March 2025, being the last full market day on which the shares of the Company were traded, preceding the date of the signing of the SPA and 948,925,820 shares in issue.
- (6) Rule 1006(d) of the Listing Manual is not applicable as the Company will not be issuing any equity securities as consideration for the Proposed Acquisition.
- (7) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

8.2 The relative figures for the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual does not exceed 5% nor 20%. However, as the relative figure computed on the basis of Rule 1006(b) involves negative figures, Rule 1007(1) read with Practice Note 10.1 shall apply. As the absolute relative figures computed on the basis of each of Rule 1006(c) and 1006(d) amounts to 5% or less and the net loss attributable to the assets to be acquired pursuant to the Proposed Acquisition amounts to 5% or less of the consolidated net profit of the Company, the Proposed Acquisition falls within paragraph 4.3(a) of Practice Note 10.1.

8.3 Accordingly, while the Proposed Acquisition is non-discloseable transaction under Chapter 10 of the Listing Manual and does not require shareholders' approval:

- (a) the Company is disclosing this transaction in the interest of good corporate governance and its status as an interested person transaction; and
- (b) this announcement includes the information required under Rule 1008(2) of the Listing Manual.

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

9.1 Save as disclosed in this announcement, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition (other than their direct or indirect shareholdings in the Company).

9.2 For the avoidance of doubt, Dr. Ng and Dr. Raymond (as Alternate Director to Dr. Ng), being interested in the Proposed Acquisition, has refrained from participating in the Board's deliberation in respect of the Proposed Acquisition and have abstained from voting on all resolutions of the Board in respect of the Proposed Acquisition.

## **10. DIRECTOR'S SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**11. 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 Acquisition, 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 this announcement in its proper form and context.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection by the Shareholders at the registered office of the Company at 2 Clementi Loop, #04-01, Logis Hub @ Clementi, Singapore 129809 during normal office hours for three (3) months from the date of this announcement.

**13. CAUTION IN TRADING**

Shareholders and potential investors are advised to exercise caution in trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will proceed to completion. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take. The Company will make further announcements if and when there are any material developments regarding the transactions contemplated herein as and when appropriate.

By Order of the Board

Ng Sook Hwa  
Chief Financial Officer  
31 March 2025