



**Q & M DENTAL GROUP (SINGAPORE) LIMITED**

(Company Registration No. 200800507R)

(Incorporated in the Republic of Singapore)

(the “**Company**”)

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**THE PROPOSED RESTRUCTURING TO BE UNDERTAKEN IN CONNECTION WITH THE PROPOSED SPIN-OFF OF THE COMPANY’S DENTISTRY AND DENTAL SPECIALIST SERVICES AND DENTAL EQUIPMENT AND SUPPLIES DISTRIBUTION BUSINESSES IN THE NORTHERN REGION OF THE PEOPLE’S REPUBLIC OF CHINA VIA THE PROPOSED LISTING OF ITS WHOLLY-OWNED SUBSIDIARY, Q & M DENTAL HOLDINGS (CHINA) PTE. LTD., ON THE CATALIST BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

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**1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 10 June 2016 in relation to the proposed spin-off of the Company’s dentistry and dental specialist services and dental equipment and supplies distribution businesses in the Liaoning, Jilin, Heilongjiang, Inner Mongolia, Hebei, Shandong, Shanxi, Ningxia, Shaanxi, Gansu, Qinghai and Xinjiang Provinces, as well as the Beijing and Tianjin Municipalities, of the People’s Republic of China (the “**Northern PRC Region**”) (the “**Proposed Spin-off**”) via the proposed listing of its wholly-owned subsidiary, Q & M Dental Holdings (China) Pte. Ltd. (“**Q & M Aoxin**”, and together with its subsidiaries, the “**Q & M Aoxin Group**”), on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Proposed Listing**”), and the proposed restructuring exercise to be undertaken in connection with the Proposed Spin-Off and the Proposed Listing (the “**Proposed Restructuring**”).
- 1.2. As the Company intends to seek the approval of its shareholders (the “**Shareholders**”) for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing at an extraordinary general meeting (the “**EGM**”) to be convened in due course, a circular setting out the information required pursuant to Chapter 10 of the listing manual of the SGX-ST (the “**Listing Manual**”) including the rationale for, the tangible benefits of and the financial effects of, the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing, will be despatched to Shareholders in due course (the “**Circular**”).

**2. THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING**

- 2.1. The Proposed Spin-Off shall be via the Proposed Listing and entails the spin-off of the Company’s dentistry and dental specialist services and dental equipment and supplies distribution businesses in the Northern PRC Region through the listing of Q & M Aoxin on the Catalist Board of the SGX-ST. Rule 210(6) of the Listing Manual provides that a subsidiary or parent company of an existing listed issuer will not normally be considered suitable for listing if the assets and operations of the applicant are substantially the same as those of the existing issuer. On 18 February 2016, the SGX-ST informed the Company that subject to there being no material changes in the contribution of the Q & M Aoxin Group to the Company, the Proposed Listing does not amount to a chain listing under Rule 210(6) of the Listing Manual.

- 2.2. Upon completion of the Proposed Restructuring, and subject to Section B of the Listing Manual dealing with the rules of Catalist (the “**Catalist Rules**”) and the prevailing market conditions, Q & M Aoxin will, in connection with the Proposed Listing, undertake an initial public offering of new ordinary shares in the capital of Q & M Aoxin (the “**Q & M Aoxin Shares**”) comprising at least 16.01% of its enlarged share capital. Q & M Aoxin has appointed SAC Capital Private Limited as the issue manager and full sponsor in respect of the Proposed Listing. Barring any unforeseen circumstances, the Company is expected to hold a controlling interest of no more than 43.92% in Q & M Aoxin following the completion of the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.
- 2.3. Shareholders should also note that the Proposed Spin-Off and the Proposed Listing will be conditional upon, *inter alia*, the following:
- (a) the receipt of the listing and quotation notice from the SGX-ST in connection with the admission of Q & M Aoxin to the Catalist Board of the SGX-ST, the listing of and quotation for the Q & M Aoxin Shares on the Catalist Board of the SGX-ST and the listing and quotation notice not being subsequently terminated or revoked prior to the commencement of dealings in Q & M Aoxin Shares on the Catalist Board of the SGX-ST;
  - (b) such other approvals, authorisations, consents and confirmations from the regulatory authorities as may be required or advisable in connection with the Proposed Spin-Off and the Proposed Listing being obtained on terms acceptable to the Company and Q & M Aoxin and the same remaining in full force and effect;
  - (c) the underwriting agreement, placement agreement(s) and all other relevant agreements in connection with the Proposed Listing being entered into by the underwriter(s), Q & M Aoxin and (if applicable) any shareholders of Q & M Aoxin selling vendor shares and all other relevant persons, and the terms of the Proposed Listing being on terms acceptable to and agreed by, *inter alia*, the Company; and
  - (d) the lodgement with and registration by the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore of the offer document in connection with the Proposed Listing in compliance with all applicable laws and regulations.
- 2.4. Based on the audited financial statements of the Group for the financial year ended December (“**FY**”) 2013, FY2014 and FY2015 and the unaudited financial statements of the Group for the financial period which commenced on 1 January 2016 and ended 30 June 2016 (“**1H2016**”), the Proposed Spin-Off and the Proposed Listing will not result in a material impact to the financials of the Group and the Group (excluding the Q & M Aoxin Group) will remain viable and profitable subsequent to the completion of the Proposed Spin-Off and the Proposed Listing. For further details on the rationale for and the tangible benefits of the Proposed Spin-Off and the Proposed Listing, and the impact on the Group (excluding the Q & M Aoxin Group) pursuant to the completion of the Proposed Spin-Off and the Proposed Listing, please refer to the Circular.

### **3. THE PROPOSED RESTRUCTURING**

- 3.1. In order to achieve the relevant shareholding structure of the Q & M Aoxin Group in connection with the Proposed Spin-Off and the Proposed Listing by consolidating control over certain key operating subsidiaries of Q & M Aoxin, the Group has entered into several conditional share purchase agreements for the purposes of the Proposed Restructuring. Upon the completion of the Proposed Restructuring, Q & M Aoxin will hold 100% equity interest (directly or indirectly) in all the entities within the Q & M Aoxin Group. None of the transactions under the Proposed

Restructuring constitute an Interested Person Transaction (as defined under the Listing Manual) with any Interested Persons (as defined under the Listing Manual).

### 3.2. JV Entities Acquisition

On 12 October 2016, Shenyang Xin Ao Hospital Management Co., Ltd. (沈阳新奥医院管理有限公司)<sup>1</sup> (“**Shenyang Xin Ao**”) entered into conditional share purchase agreements with:

- (a) Dr. Ren Hong, to acquire 40% equity interest in Panjin Jingcheng Q & M Dental Co., Ltd. (盘锦精诚全民口腔有限责任公司) (“**PJJC**”);
- (b) Ms. Gao Huiying, to acquire 40% equity interest in Gaizhou Ao Xin Q & M Dental Hospital Co., Ltd. (盖州市奥新全民口腔医院有限公司) (“**Gaizhou Q & M**”); and
- (c) Dr. Zhang Chun, to acquire 40% equity interest in Panjin Jinsai Q & M Dental Co., Ltd. (盘锦金赛全民口腔有限责任公司) (“**PJJS**”),

(collectively, the “**JV Entities Acquisition**”).

The JV Entities Acquisition will be funded internally. Each of PJJC, Gaizhou Q & M and PJJS are engaged in the business of operating dental clinics in the People’s Republic of China.

The aggregate consideration (which shall be fully satisfied in cash) to be paid by Shenyang Xin Ao for, and the book value and the net tangible asset value as at 30 June 2016 of, the assets to be acquired pursuant to the JV Entities Acquisition are as follows:

	<b>Consideration</b>	<b>Book Value</b>	<b>Net Tangible Asset Value</b>
40% equity interest in PJJC	RMB 785,000 (approximately S\$164,570)	RMB 798,951 (approximately S\$167,495)	RMB 798,951 (approximately S\$167,495)
40% equity interest in PJJS	RMB 584,000 (approximately S\$122,432)	RMB 558,590 (approximately S\$117,105)	RMB 558,590 (approximately S\$117,105)
40% equity interest in Gaizhou Q & M	RMB 245,000 (approximately S\$51,363)	RMB 255,749 (approximately S\$53,616)	RMB 255,749 (approximately S\$53,616)

The consideration for the JV Entities Acquisition was arrived at pursuant to arm’s length negotiations between the parties on a willing-buyer willing-seller basis, after taking into account the rationale for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

<sup>1</sup> Shenyang Xin Ao Hospital Management Co., Ltd. (沈阳新奥医院管理有限公司) is 60% held by Shanghai Q & M Investment Management & Consulting Co., Ltd. (上海全民投资管理咨询有限公司) (“**Shanghai Q & M Investment**”), which is in turn 100% held by Q & M Aoxin.

In connection with the JV Entities Acquisition, on 12 October 2016, each of Dr. Ren Hong, Ms. Gao Huiying and Dr. Zhang Chun have also entered into a supplemental agreement with, *inter alia*, Shenyang Xin Ao, setting out the arrangements in relation to the performance guarantees given by each of them in connection with Shenyang Xin Ao's initial acquisition of 60% equity interest in each of PJJC, Gaizhou Q & M and PJJS.

For further details on the JV Entities Acquisition, please refer to the Circular.

### 3.3. Shenyang Maotai Acquisition

On 12 October 2016, Shenyang Quanxin Medical Equipment Leasing Co., Ltd. (沈阳全鑫医疗设备租赁有限公司)<sup>2</sup> ("**Shenyang Quanxin**") entered into a conditional share purchase agreement with Mr. Cui Guo An to acquire 40% equity interest in Shenyang Maotai Q & M Medical Equipment Co., Ltd. (沈阳茂泰全民医疗设备有限公司) (formerly known as Shenyang Lan Hai Tong Mao Medical Equipment Co., Ltd. (沈阳蓝海通茂医疗设备有限公司)) ("**Shenyang Maotai**") for an aggregate consideration of RMB 838,000 (approximately S\$175,681), which shall be fully satisfied in cash (the "**Shenyang Maotai Acquisition**").

The Shenyang Maotai Acquisition will be funded internally. Shenyang Maotai is engaged in the business of distributing and supplying dental equipment and materials in the People's Republic of China.

As at 30 June 2016, both the book value and the net tangible asset value of the assets to be acquired pursuant to the Shenyang Maotai Acquisition is RMB 859,203 (approximately S\$180,126). The consideration for the Shenyang Maotai Acquisition was arrived at pursuant to arm's length negotiations between the parties on a willing-buyer willing-seller basis, after taking into account the rationale for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

In connection with the Shenyang Maotai Acquisition, on 12 October 2016, Mr. Cui Guo An also entered into a supplemental agreement with, *inter alia*, Shenyang Quanxin, setting out the arrangements in relation to the performance guarantee given by him in connection with Shenyang Quanxin's initial acquisition of 60% equity interest in Shenyang Maotai.

For further details on the Shenyang Maotai Acquisition, please refer to the Circular.

### 3.4. Shenyang Xin Ao Acquisition

On 12 October 2016, Shanghai Q & M Investment and Shenyang Quan Ao Medical Investment Management Co., Ltd. (沈阳全奥医疗投资管理有限公司)<sup>3</sup> ("**Shenyang Quan Ao**") entered into conditional share purchase agreements with Dr. Shao Yongxin for:

- (a) Shanghai Q & M Investment to acquire 39% equity interest in Shenyang Xin Ao for an aggregate consideration of RMB 2,659,800 (approximately S\$557,610) which shall be fully satisfied in cash; and

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<sup>2</sup> Shenyang Quanxin Medical Equipment Leasing Co., Ltd. (沈阳全鑫医疗设备租赁有限公司) is 100% held by Q & M Dental (Shenyang) Pte. Ltd. ("**Q & M Dental (Shenyang)**"), which is in turn 60% held by Q & M Aoxin.

<sup>3</sup> Shenyang Quan Ao Medical Investment Management Co., Ltd. (沈阳全奥医疗投资管理有限公司) is 99% held by Shanghai Q & M Investment, which is in turn 100% held by Q & M Aoxin.

- (b) Shenyang Quan Ao to acquire 1% equity interest in Shenyang Xin Ao for an aggregate consideration of RMB 68,000 (approximately S\$14,256) which shall be fully satisfied in cash,

(collectively, the “**Shenyang Xin Ao Acquisition**”).

The Shenyang Xin Ao Acquisition will be funded internally. Shenyang Xin Ao is engaged in the business of operating dental hospitals and clinics in the People’s Republic of China.

As at 30 June 2016, both the book value and the net tangible asset value of the assets to be acquired pursuant to the Shenyang Xin Ao Acquisition is RMB 2,727,295 (approximately S\$571,760). The consideration for the Shenyang Xin Ao Acquisition was arrived at pursuant to arm’s length negotiations between the parties on a willing-buyer willing-seller basis, after taking into account the rationale for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

In connection with the Shenyang Xin Ao Acquisition, on 12 October 2016, Dr. Shao Yongxin also entered into a supplemental agreement with, *inter alia*, Shanghai Q & M Investment, setting out the arrangements in relation to the performance guarantee given by him in connection with Shanghai Q & M Investment’s initial acquisition of 60% equity interest in Shenyang Xin Ao.

For further details on the Shenyang Xin Ao Acquisition, please refer to the Circular.

### 3.5. Q & M Dental (Shenyang) Acquisition

On 12 October 2016, Q & M Aoxin entered into a conditional share purchase agreement with Health Field Enterprises Limited to acquire 40% shareholding interest in Q & M Dental (Shenyang) for a nominal consideration of S\$1.00 which shall be fully satisfied in cash (the “**Q & M Dental (Shenyang) Acquisition**”).

The Q & M Dental (Shenyang) Acquisition will be funded internally. Q & M Dental (Shenyang) is engaged in the business of providing medical equipment leasing services in the People’s Republic of China.

As at 30 June 2016, both the book value and the net tangible asset value of the assets to be acquired pursuant to the Q & M Dental (Shenyang) Acquisition is S\$2,480,033. The nominal consideration for the Q & M Dental (Shenyang) Acquisition was arrived at after taking into account the issue and allotment of 109,401,709 new Q & M Aoxin Shares to Health Field Enterprises Limited pursuant to a share subscription agreement dated 12 October 2016 entered into between Q & M Aoxin and Health Field Enterprises Limited, and the rationale for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

For further details on the Q & M Dental (Shenyang) Acquisition, please refer to the Circular.

### 3.6. Q & M China Acquisition

Dr. Cheah Kim Fee is the chief executive officer of Q & M Aoxin. Pursuant to his appointment, Dr. Cheah Kim Fee acquired 1.00% shareholding interest in Q & M Dental Group (China) Pte. Ltd. (“**Q & M China**”) for an aggregate consideration of S\$200,000 as it was envisioned that the Group would be expanding its business interests in the People’s Republic of China through Q & M China. As the Group no longer intends to do so, the Company has on 12 October 2016 entered into a conditional share purchase agreement with Dr. Cheah Kim Fee to acquire his 1%

shareholding interest in Q & M China for an aggregate consideration of S\$200,000, which shall be fully satisfied in cash (the “**Q & M China Acquisition**”).

The Q & M China Acquisition will be funded internally. Q & M China is engaged in the business of investment holding.

As at 30 June 2016, both the book value and the net tangible liability value of the assets to be acquired pursuant to the Q & M China Acquisition is S\$3,249. The consideration for the Q & M China Acquisition was arrived at pursuant to arm’s length negotiations between the parties on a willing-buyer willing-seller basis, after taking into account the rationale for the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

For further details on the Q & M China Acquisition, please refer to the Circular.

**4. VALUE OF THE JV ENTITIES ACQUISITION, THE SHENYANG MAOTAI ACQUISITION, THE SHENYANG XIN AO ACQUISITION, THE Q & M DENTAL (SHENYANG) ACQUISITION AND THE Q & M CHINA ACQUISITION**

FRS 110 provides that changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners). Assuming that the JV Entities Acquisition, the Shenyang Maotai Acquisition, the Shenyang Xin Ao Acquisition, the Q & M Dental (Shenyang) Acquisition and the Q & M China Acquisition had been completed on 31 December 2015, the estimated increase in capital reserves arising from the assets to be acquired pursuant to the JV Entities Acquisition, the Shenyang Maotai Acquisition, the Shenyang Xin Ao Acquisition, the Q & M Dental (Shenyang) Acquisition and the Q & M China Acquisition is S\$3.4 million.

**5. CHAPTER 10 OF THE LISTING MANUAL**

The relative figures<sup>(1)</sup> of the JV Entities Acquisition, the Shenyang Maotai Acquisition, the Shenyang Xin Ao Acquisition, the Q & M Dental (Shenyang) Acquisition and the Q & M China Acquisition (which have been aggregated for this purpose pursuant to Rule 1005 of the Listing Manual) computed on the bases as set out in Rule 1006 of the Listing Manual and based on the latest unaudited financial statements of the Group for 1H2016 are set out as follows:

	<b>Bases Under Rule 1006</b>	<b>Relative Figure</b>
(a)	NAV of the assets to be disposed of, compared with the Group’s NAV. This basis is not applicable to an acquisition of assets.	N.A.
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits.	13.68% <sup>(2)</sup>
(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued Shares excluding treasury shares.	0.21% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as the Company did not issue any equity securities as consideration for an acquisition.

(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 & gas company, but not to an acquisition of such assets.	Not applicable as the Company is not a mineral, oil and gas company.
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**Notes:-**

- (1) These figures have been presented based on the assumption that the the proposed spin-off and listing of Qinhuangdao Aidite High Technical Ceramic Co., Ltd. (秦皇岛爱迪特高技术陶瓷有限公司) and its subsidiaries on the National Equities Exchange and Quotations of the People's Republic of China has been completed.
- (2) Computed based on: (a) the unaudited profit before tax attributable to non-controlling interest of the Q & M Aoxin Group from continuing operations of S\$0.94 million (approximately RMB 4.6 million) (based on the unaudited management accounts of the Q & M Aoxin Group for 1H2016); and (b) the Group's unaudited profit before tax of approximately S\$6.9 million for 1H2016 after deducting the profit before tax attributable to Aidite of S\$3.57 million.
- (3) Computed based on: (a) the aggregate consideration of RMB 6.17 million (approximately S\$1.25 million) for the JV Entities Acquisition, the Shenyang Maotai Acquisition, the Shenyang Xin Ao Acquisition, the Q & M Dental (Shenyang) Acquisition and the Q & M China Acquisition; and (b) the volume weighted average price of the Shares traded on the SGX-ST of S\$0.7613 on 11 October 2016 multiplied by 796,564,000 Shares in issue as at 12 October 2016.

As the relative figures computed on the bases set out in Rule 1006 exceed 5% but do not exceed 20%, the JV Entities Acquisition, the Shenyang Maotai Acquisition, the Shenyang Xin Ao Acquisition, the Q & M Dental (Shenyang) Acquisition and the Q & M China Acquisition in aggregate constitute a discloseable transaction as defined in Chapter 10 of the Listing Manual which is not subject to Shareholders' approval.

Notwithstanding the foregoing, the Board is of the view that the Shareholders should be given an opportunity to assess and consider the terms of the Proposed Restructuring and accordingly, Shareholders' approval for the Proposed Restructuring will be sought at the EGM.

## **6. FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING, AND THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING**

### **6.1. Bases and Assumptions**

The pro forma financial effects are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing. These illustrative pro forma financial effects have been computed based on (i) the audited consolidated financial statements of the Group for FY2015; and (ii) the audited consolidated financial statements of Q & M Aoxin for FY2015.

### **6.2. Share Capital**

As no new ordinary shares in the capital of the Company (the "Shares") will be issued by the Company in connection with the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing, the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing will have no impact on the Company's issued share capital.

### **6.3. NTA per Share**

Assuming that the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing had been completed on 31 December 2015, the effect of the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing on the Group's net tangible assets ("NTA") per Share as at 31 December 2015 will be as follows:

	Before the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing	After the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing
NTA <sup>(1)</sup> attributable to the Shareholders (S\$'000)	22,254	45,696
Number of Shares ('000)	794,273	794,273
NTA per Share (cents)	2.80	5.75

**Notes:-**

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

**6.4. EPS**

Assuming that the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing had been completed on 1 January 2015, the effect of the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing on the Group's earnings per Share ("EPS") for FY2015 will be as follows:

	Before the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and Proposed Listing, and the Proposed Restructuring
Profit After Taxation and Non-Controlling Interests (S\$'000)	8,716	24,713
Weighted Average Number of Shares ('000)	779,933	779,933
EPS (cents)	1.12	3.17

**6.5. Gearing**

The financial effects of the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing on the Group's gearing as at 31 December 2015 will be as follows:

	Before the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and Proposed Listing, and the Proposed Restructuring
Net Borrowings <sup>(1)</sup> as at 31 December 2015 (S\$'000)	21,380	24,523



Shareholders' Equity (S\$'000)	88,021	93,153
Gearing (times)	0.24	0.26

**Note:-**

- (1) Net borrowings means total borrowings less cash and bank balances.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Directors	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Mr. Narayanan Sreenivasan	290,000	0.04	-	-	290,000	0.04
Dr. Ng Chin Siau <sup>(2)</sup>	11,240,110	1.41	452,296,545	56.78	463,536,655	58.19
Dr. Ang Ee Peng Raymond	-	-	-	-	-	-
Mr. Ng Weng Sui Harry	240,000	0.03	-	-	240,000	0.03
Professor Toh Chooi Gait	-	-	-	-	-	-
<b>Substantial Shareholders (who are not Directors)</b>						
Quan Min Holdings Pte. Ltd. <sup>(3)</sup>	452,195,545	56.77	-	-	452,195,545	56.77
Heritas Helios Investments Pte. Ltd.	64,076,115	8.04	-	-	64,076,115	8.04
Heritas Capital Management Pte. Ltd. <sup>(4)</sup>	-	-	64,076,115	8.04	64,076,115	8.04
IMC Heritas Investments Ltd. <sup>(5)</sup>	-	-	64,076,115	8.04	64,076,115	8.04
IMC Pan Asia Alliance Corporation <sup>(6)</sup>	-	-	64,076,115	8.04	64,076,115	8.04

**Notes:-**

- (1) The percentage shareholding interest is computed based on 796,564,000 Shares.
- (2) Dr. Ng Chin Siau is deemed to have an interest in: (a) the 452,195,545 Shares held by Quan Min Holdings Pte. Ltd. by virtue of his 37.03% direct shareholding in Quan Min Holdings Pte. Ltd.; and (b) the 101,000 Shares held by his spouse, Ms. Foo Siew Jiuan.

- (3) Quan Min Holdings Pte. Ltd. is an investment holding company incorporated in Singapore and is the Company's ultimate parent company.
- (4) Heritas Capital Management Pte. Ltd. is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it is the investment manager of Heritas Helios Investments Pte. Ltd..
- (5) IMC Heritas Investments Ltd. is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it is the owner of the entire share capital of Heritas Helios Investments Pte. Ltd..
- (6) IMC Pan Asia Alliance Corporation is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it 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..

Save for their respective interests in the Shares as disclosed above, none of the Directors or substantial shareholders of the Company or their respective associates, has any interest, direct or indirect, in the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing.

## **8. SERVICE CONTRACTS**

There are no directors who are proposed to be appointed to the Board in connection with the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **9. 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 Spin-Off and the Proposed Listing, the Proposed Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which will 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.

## **10. CAUTIONARY STATEMENT**

The Company wishes to highlight that there can be no assurance that approval for the Proposed Spin-Off and the Proposed Listing will be granted by the SGX-ST, or that the documents in connection with the Proposed Listing can be finalised or agreed or the Proposed Spin-Off and the Proposed Listing can materialise, or otherwise proceed in a timely fashion. In the event that any of the foregoing is not achieved or fulfilled, Q & M Aoxin will not be able to proceed with the Proposed Spin-Off and the Proposed Listing.

By Order of the Board  
**Q & M Dental Group (Singapore) Limited**

Vitters Sim  
Chief Financial Officer  
13 October 2016