



Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

PROPOSED BONUS ISSUE OF UP TO 157,461,725 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

1. INTRODUCTION

The board of directors (the "**Directors**") of Q & M Dental Group (Singapore) Limited (the "**Company**") is pleased to announce that the Company is proposing a bonus issue (the "**Proposed Bonus Issue**") of 157,461,725 new ordinary shares in the capital of the Company (the "**Bonus Shares**"), on the basis of one (1) Bonus Share to be credited as fully paid for every five (5) existing ordinary shares in the capital of the Company (the "**Shares**") held by shareholders of the Company (the "**Shareholders**"), fractional entitlements to be disregarded, as at the record date ("**Record Date**") to be determined by the Directors for the purpose of determining the entitlement of shareholders.

2. TERMS OF THE PROPOSED BONUS ISSUE

2.1. Bonus Shares

Based on the issued and paid up share capital of the Company comprising 787,308,627 Shares (including treasury shares) as at the date of this announcement, 157,461,725 Bonus Shares will be issued pursuant to the Proposed Bonus Issue (assuming there is no change in the number of issued Shares from the date of this announcement up to the Record Date). The actual number of Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at the Record Date.

The Bonus Shares will be issued to shareholders of the Company whose names appear in the Register of Members or who have shares entered against their names in the Depository Register as at the Record Date. Notice of the Record Date of the Register of Members and the Share Transfer Books of the Company will be given at a later date, after necessary approval has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Bonus Shares will be allotted and issued as fully paid at nil consideration to entitled shareholders of the Company without capitalisation of the Company's reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date on which the Bonus Shares are allotted and issued.

The Bonus Shares represent approximately 20.00% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 16.67% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed

Bonus Issue, assuming there are no changes to the total issued share capital of the Company as at the Record Date.

2.2. General Mandate

The Bonus Shares will be issued pursuant to the share issue mandate ("**General Mandate**") obtained from Shareholders at the annual general meeting of the Company held on 26 April 2021 ("**2021 AGM**"). The General Mandate authorises the Directors to, *inter alia*, allot and issue new Shares, provided that such number of new Shares to be issued does not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the 2021 AGM. As at the date of the 2021 AGM, the Company had 787,308,627 Shares in issue and accordingly, the Company had 393,654,313 Shares available for issuance under the General Mandate.

As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate and accordingly, the proposed issue of 157,461,725 Bonus Shares pursuant to the Proposed Bonus Issue will fall within the maximum number authorised under the General Mandate.

2.3. Approvals

The Proposed Bonus Issue is subject to, *inter alia*, the approval of the SGX-ST for the listing and quotation of the Bonus Shares on the Official List of the SGX-ST. The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.4. Compliance with Listing Manual

Pursuant to Rule 838 of the Listing Manual, an issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the bonus issue, will not be less than S\$0.50 ("**Minimum Price**"). In compliance with Rule 838, the issuer should compute the adjusted price based on the proposed bonus issue ratio and the issuer's lowest daily weighted share price of the shares for a month preceding the issuer's proposed bonus issue application.

For illustration purposes only and assuming that the Proposed Bonus Issue application has been made on 13 August 2021, being the date of this announcement, the lowest daily weighted average price of the Shares in the month preceding 13 August 2021 would be S\$0.798 and accordingly, the theoretical ex-bonus price ("**TEBP**") would be calculated as follows:

$$\begin{aligned}TEBP &= \frac{S\$0.798}{6} \times 5 \\ &= S\$0.665\end{aligned}$$

Accordingly, the TEBP will be above the Minimum Price. Further the Company confirms that there is no reason to believe that the TEBP is likely to fall below S\$0.50 for the month preceding the date of the application for the listing and quotation of the Bonus Shares on the Official List of the SGX-ST.

2.5. Record Date

The Bonus Shares will be issued to the Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited, as the case may be, as at the Record Date to be determined by the Directors for the purpose of determining the entitlements of the Shareholders. Notice of the Record Date will be given at a later date,

after the necessary approvals in respect of the Proposed Bonus Issue (including, without limitation, the approvals from the SGX-ST) have been obtained.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Company is considering the Proposed Bonus Issue to increase the issued share capital base of the Company to reflect the growth and expansion of its business and to reward and give due recognition to shareholders for their loyalty and continuing support for the Company. The Proposed Bonus Issue, if carried out, will also increase the accessibility of investing in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

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

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Q & M Dental Group (Singapore) Limited

Vitters Sim
Chief Financial Officer
13 August 2021