



**Q & M Dental Group (Singapore) Limited**  
(Company Registration Number: 200800507R)

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## **PROPOSED ACQUISITION OF BLOCK 53 SIMS PLACE #01-158 SINGAPORE 380053**

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### **1. INTRODUCTION**

The Board of Directors of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes announce that Q & M Dental Surgery (Sims Place) Pte Ltd ("**QMSP**"), a wholly-owned subsidiary of the Company, has on 22 October 2010 entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with Dr Ng Chin Siau ("**Dr Ng**") and Dr Chong Kai Chuan ("**Dr Chong**") (collectively, the "**Vendors**"), pursuant to which QMSP will acquire from the Vendors (the "**Proposed Acquisition**") the premises located at Block 53 Sims Place #01-158 Singapore 380053 (the "**Property**"). Dr Ng and Dr Chong own 60% and 40% of the Property respectively. The Vendors currently lease the Property to QMSP for a monthly rent of S\$3,700 and QMSP operates its dental clinic business on the Property.

### **2. INTERESTED PERSON TRANSACTION**

As at the date hereof, Dr Ng is the chief executive officer and a controlling shareholder of the Company holding a direct and deemed interest in 200,000,000 ordinary shares in the share capital of the Company, which is equivalent to approximately 72.97% of the total number of issued ordinary shares of the Company. Dr Chong is the alternate director to Dr Ng. Hence, Dr Ng and Dr Chong are each regarded as an interested person under the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited. Accordingly, the Proposed Acquisition constitutes an interested person transaction of the Company under Chapter 9 of the Listing Manual.

### **3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

3.1 The consideration for the Proposed Acquisition is S\$970,000 (the "**Consideration**"), excluding any goods and services tax payable. Upon execution of the S&P Agreement, QMSP has paid to the Vendors the sum of S\$97,000 by way of a deposit. The balance of the Consideration (less the said deposit) shall be paid upon completion of the S&P Agreement. The Consideration was arrived at on a willing buyer and willing seller basis taking into account the valuation conducted by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. on 29 July 2010, which valued the Property at S\$970,000.

3.2 The Proposed Acquisition is conditional upon the following conditions precedent:

(a) the clearing of any payment made by cheque by QMSP on first presentation; and

- (b) the obtaining of written approval for the Vendors to sell and QMSP to acquire the Property upon the terms and subject to the conditions of the S&P Agreement from the Housing & Development Board (the "**HDB**") within three (3) months from the date of the S&P Agreement (the "**Completion Date**") or, if the Completion Date has been extended for another two (2) weeks (the "**2 Weeks Extension**") on the basis that HDB has yet to make a decision on whether their approval would be given, by the end of the 2 Weeks Extension.
- 3.3 The Property is sold on an "as is where is" basis, and is sold subject to tenancy, the terms of which QMSP warrants that it is aware of. The Property is also sold subject to any restrictive covenants, easements, party wall rights (if applicable) but otherwise free from encumbrances.
- 3.4 If the HDB imposes any terms and conditions on QMSP which QMSP does not agree or accept, QMSP is entitled to rescind or cancel the S&P Agreement and in which event, the Vendors shall forthwith refund to QMSP all monies paid by QMSP to the Vendors without interest and neither party shall then have any claim or demand against the other.
- 3.5 If on or before the Completion Date, the government or any local authority acquires or intends to acquire the Property or part thereof, QMSP shall be entitled to rescind the S&P Agreement by giving written notice to the Vendors' solicitors. Upon such rescission, the Vendors shall forthwith refund to QMSP all monies paid by QMSP to the Vendors without interest and neither party shall then have any claim or demand against the other.
- 3.6 If the replies to requisitions being received by QMSP from the various relevant governmental departments and authorities including the Land Transport Authority are unsatisfactory according to the terms of the S&P Agreement, then the S&P Agreement may be rescinded at QMSP's option. Upon such rescission, the Vendors shall forthwith refund to QMSP all monies paid by QMSP to the Vendors without interest and neither party shall then have any claim or demand against the other.

#### **4. RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition will enable the Company to secure a permanent location for the operation of its dental clinic business. The Proposed Acquisition may also enable the Group to enjoy cost savings in the long run as the rate of rental is likely to increase over time.

#### **5. STATEMENT OF THE AUDIT COMMITTEE**

The audit committee of the Company (comprising of Mr. Eugene Wong Hin Sun, Mr. Harry Ng Weng Sui, Mr. Narayanan Sreenivasan) has reviewed the terms of the Proposed Acquisition and is of the view that the Proposed Acquisition:

- (a) is on normal commercial terms; and
- (b) is not prejudicial to the interests of the Company and its minority shareholders.

#### **6. VALUE OF INTERESTED PERSON TRANSACTIONS**

- 6.1 The Consideration represents approximately 3.99% of the audited net tangible assets of the Group of S\$24,328,000 as at 31 December 2009 (the "**Audited NTA**").

- 6.2 The Consideration when aggregated with the aggregate value of all other transactions, including transactions which are less than S\$100,000, entered into between the Company and the Vendors during the current financial year as at the date hereof represents approximately 4.68% of the Audited NTA.
- 6.3 The total value of the Group's interested person transactions, including transactions which are less than S\$100,000 and the Proposed Acquisition, with Dr Ng and his associates (as defined in the Listing Manual) for the current financial year as at the date hereof is S\$643,700, on the basis that Dr Ng receives 60% of the Consideration.
- 6.4 The total value of the Group's interested person transactions, including transactions which are less than S\$100,000 and the Proposed Acquisition, with Dr Chong and his associates (as defined in the Listing Manual) for the current financial year as at the date hereof is S\$495,800, on the basis that Dr Chong receives 40% of the Consideration.
- 6.5 The total value of all interested person transactions entered into by the Group, including transactions which are less than S\$100,000 and the Proposed Acquisition, for the current financial year as at the date hereof is approximately S\$1,281,000, representing approximately 5.27% of the Audited NTA.

**7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed above, none of the Directors or (so far as the Directors are aware) controlling shareholders of the Company has any interest in the Proposed Acquisition save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

**8. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the S&P Agreement is available for inspection by shareholders of the Company during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this Announcement.

On Behalf of the Board

Dr Ng Chin Siau  
Executive Director  
22 October 2010

The initial public offering of the Company's shares was sponsored by Collins Stewart Pte. Limited.