



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration No. 200800507R)

Announcement

PROPOSED SHARE SPLIT OF EACH ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) ORDINARY SHARES

1. INTRODUCTION

The Board of Directors (“**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) wishes to announce that the Company is proposing a subdivision of the share capital of the Company in such a manner so that each ordinary share (“**Share**”) in the capital of the Company is split into two (2) ordinary shares (each a “**Subdivided Share**”) in the capital of the Company (“**Proposed Share Split**”).

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$22,947,641 divided into 275,226,497 issued Shares. The Company does not hold any treasury shares.

Following the implementation of the Proposed Share Split, the Company will have an issued and paid-up share capital of S\$22,947,641 divided into 550,452,994 issued Subdivided Shares.

All Subdivided Shares arising from the Proposed Share Split shall rank *pari passu* with each other. The shareholders of the Company (“**Shareholders**”) are not required to make any payment to the Company in respect of the Proposed Share Split.

2. RATIONALE OF THE SHARE SPLIT

The Directors believe that the Proposed Share Split is beneficial to the Company and its Shareholders for the reasons set out below:-

(a) **Increase market liquidity of the Shares**

The Proposed Share Split may improve market liquidity of the Company’s Shares over time as the reduced price of each board lot will make the Shares more accessible to both existing and potential investors.

(b) **Broaden the Shareholder base**

With the increased number of lots available for trading purposes, the Proposed Share Split may also broaden the Shareholder base of the Company from the current number of approximately

1,105 Shareholders (as at the date of this announcement) by improving the accessibility of an investment in the Company to potential investors.

Shareholders should note, however, that there can be no assurance that the abovementioned can be achieved as a result of the Proposed Share Split, nor is there assurance that such a result can be sustained in the longer term. Shareholders should also note that there can be no assurance that the price of the Shares after the implementation of the Proposed Share Split would be equal to or higher than the theoretical Subdivided Share price of S\$0.375 subsequent to the implementation of the Proposed Share Split (based on the last transacted Share price as of 2 March 2012 of S\$0.755).

3. ADJUSTMENTS

(a) Loan Agreement with IFC

As announced on 27 April 2011, the International Finance Corporation made available a US\$5,000,000 convertible loan ("**Convertible Loan**") to the Company. The conversion price of the Convertible Loan ("**Conversion Price**") would be proportionally adjusted in the event of a share split. Assuming the Proposed Share Split is completed, the Conversion Price would be adjusted from S\$0.69 to S\$0.345. Based on the adjusted Conversion Price, and assuming the Convertible Loan is converted in full, an additional 9,130,435 conversion Shares will have to be issued ("**Additional Conversion Shares**").

In view of the foregoing, it is also proposed that, in addition to the approval of Shareholders for the Proposed Share Split, approval be also obtained from Shareholders for the allotment and issue of the Additional Conversion Shares.

(b) Q & M Employee Share Option Scheme ("**Option Scheme**")

Pursuant to Rule 10 of the Option Scheme, in the event of, *inter alia*, a share split of the issued share capital of the Company:-

- (i) the exercise price in respect of the Shares comprised in the options granted under the Option Scheme ("**Options**") to the extent unexercised and the rights attached thereto; and/or
- (ii) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (iii) the class and/or number of Shares in respect of which additional Option(s) may be granted to the holders of the Option,

may, be adjusted in such manner as the Remuneration Committee of the Board may determine to be appropriate, upon the written confirmation of the auditors of the Company (acting as experts and not as arbitrators) that, in their opinion, such adjustment is fair and reasonable.

4. APPROVALS

The Proposed Share Split and the issue of the Additional Conversion Shares are subject to, *inter alia*, the approval of Shareholders at an extraordinary general meeting ("**EGM**") to be convened and the

approval of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Subdivided Shares and the Additional Conversion Shares on the SGX-ST.

The Company will be making an application to the SGX-ST in due course for its approval for the listing of and quotation for the Subdivided Shares arising from the Share Split and the Additional Conversion Shares.

Subject to the receipt of approval of the SGX-ST, a circular containing further details of the Share Split and the EGM will be despatched to Shareholders in due course.

Issued by Q & M Dental Group (Singapore) Limited

Dr Ng Chin Siau
Group Chief Executive Officer
5 March 2012

About Q & M Dental Group (全民牙医集团 (新加坡) 有限公司)

Q & M Dental Group [QNM SP / QMDT.SI] is a growing private dental healthcare group in Asia. The Group operates the largest network of dental outlets in Singapore and is building its presence in the People’s Republic of China (“PRC”) and Malaysia.

Founded in 1996, Q & M Dental Group has built an established brand through its reputation as a reliable provider of quality dental healthcare services. In Singapore, the Group has 46 dental clinics strategically located island-wide, three dental centres and one mobile dental clinic. It also owns two dental supplies and equipment distribution companies. The Group has a team of about 150 experienced dentists, supported by about 300 clinic support staff, to provide quality service to its patient pool of more than 400,000 island-wide.

Q & M Dental Group is presently executing plans to expand its presence in the overseas markets. To-date, the Group has invested in two dental healthcare groups in the PRC that operate a total of seven dental clinics, one dental centre and a mobile dental clinic in Beijing and Nanjing cities. It also has a 70% stake in a dental practice in Johor Bahru, Malaysia which operates 2 clinics.

The Group was listed on the Main Board of the SGX-ST on 26 November 2009. For further information on Q & M Dental Group, please visit the Group’s website at www.QandMDental.com.sg