



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

(Incorporated in the Republic of Singapore)

(Company Registration No. 200800507R)

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**ACQUISITION OF PROPERTY LOCATED AT  
BLOCK 450 CLEMENTI AVENUE 3 #01-283 SINGAPORE 120450**

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**1. INTRODUCTION**

- 1.1 The Board of Directors of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that, Q & M Dental Surgery (Clementi) Pte Ltd ("**QMC**"), a wholly owned subsidiary of the Company, has on 6 March 2012, completed the purchase of the premises located at Block 450 Clementi Avenue 3 #01-283 Singapore 120450 (the "**Property**"), from Mr Peck Ah Hook and Madam Peck Kong Hwee (the "**Vendors**").
- 1.2 The Vendors own the Property jointly. The Vendors currently lease the Property to QMC for a monthly rent of S\$17,000 and QMC operates its dental clinic business on the Property.

**2. INFORMATION ON THE PROPERTY**

- 2.1 The Property is a HDB shop unit, Strata Lot number U53339N.
- 2.2 The Property is currently leased out to QMC for the sum of \$17,000 per month. The lease expires on 30 June 2014. QMC subleases a part of the Property to a third party for the sum of \$12,000 per month. The sub-lease expires on 29 June 2014.

**3. THE PURCHASE CONSIDERATION**

- 3.1 The purchase consideration payable by QMC to the Vendors for the Property is S\$3,700,000 (the "**Purchase Consideration**") exclusive of goods and services tax (GST). The Purchase Consideration was arrived at based on arm's length negotiations between the parties after taking into account the prevailing market conditions. The Vendors were marketing the property and pursuant to Clause 8.3 of the lease agreement, the Vendors had to offer the property to the Tenants for the right to purchase the property. The parties agreed at the Purchase Consideration as this was the minimum price that the Vendors were marketing the property at. Parties entered into an Option to Purchase on 6 November 2011 (the "**Option**")
- 3.2 The Purchase Consideration was satisfied by QMC in cash in the following manner:-

- (a) an initial amount of S\$37,000 (being 1% of the Purchase Consideration) has been paid by QMC to the Vendors in consideration of the Option (the "**Option Monies**");
- (b) upon the exercise of the Option by QMC, QMC paid the Vendors an amount of S\$333,000 (being 10% of the Purchase Consideration after taking into account the Option Monies paid by QMC to the Vendors); and
- (c) the balance Purchase Consideration of S\$3,330,000 (being 90% of the Purchase Consideration) was paid by QMC to the Vendors on 6 March 2012, the date of completion of the acquisition of the Property (the "**Acquisition**").

#### 4. TERMS AND CONDITIONS OF THE ACQUISITION

The Acquisition was completed subject to the Law Society's Condition of Sale 1999. The Acquisition was on an "as is where is" basis and subject to QMC receiving requisite approvals from HDB and other relevant statutory authorities.

#### 5. RATIONALE FOR THE ACQUISITION

The Directors are of the view that the Acquisition is in the best interests of the Company and its shareholders as:-

- (a) the Acquisition will enable the Group to secure another permanent location for the operation of its dental clinic business; and
- (b) the Acquisition is intended to secure the location of a key performing clinic and ensure continuity of the business in the location.

#### 6. FINANCIAL EFFECTS OF THE ACQUISITION

6.1 The Purchase Consideration was funded by the Company using its internal funds.

6.2 The financial effects of the Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after completion of the Acquisition.

- (a) Net tangible assets ("**NTA**") per share

For illustrative purposes, assuming that the Acquisition had taken place on 31 December 2011, being the end of the most recently completed financial year, and based on the unaudited consolidated financial statements of the Group for the 12 months ended 31 December 2011, the Acquisition would have the following impact on the NTA of the Group:-

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	26,871	26,871

NTA per share (cents)	9.8	9.8
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(b) Earnings per share ("**EPS**")

For illustrative purposes, assuming that the Acquisition had taken place on 1 January 2011, being the beginning of the most recently completed financial year, and based on the unaudited consolidated financial statements of the Group for the 12 months ended 31 December 2011, the Acquisition would have the following impact on the EPS of the Group:-

	Before the Acquisition	After the Acquisition
Group Profit after tax (S\$'000)	4,583	4,691
Weighted average number of shares	275,226,497	275,226,497
EPS (cents):-		
Basic	1.67	1.70
Diluted	1.67	1.70

(c) Gearing

For illustrative purposes, assuming that the Acquisition had been completed on 31 December 2011, the Acquisition would have the following impact on the gearing of the Group:-

	Before the Acquisition	After the Acquisition
Total borrowings (S\$'000)	1,821	1,821
Cash and cash equivalents (S\$'000)	13,640	10,355
Shareholders' funds (S\$'000)	27,212	27,212
Gross gearing (times)	0.07	0.07
Net gearing (times)	0	0

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

7.1 The relative figures computed on the basis set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") in relation to the Acquisition are as follows:-

	The Acquisition (S\$'000)	The Group (S\$'000)	%
(a) Net asset value of the assets to be disposed of, compared with the group's net asset value as at 31 December 2011			This basis of computation is not applicable to an acquisition of assets
(b) The net profits attributable to the assets acquired compared with the Group's net profits for the financial year ended 2011	108	5,148	2
(c) The aggregate value of the Purchase Consideration compared with the Company's market capitalization as at 4 November 2011, being the market day immediately preceding the date of the Option	3,700	221,557	1.67
(d) The number of equity shares issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue			This basis of computation is not applicable as no equity shares will be issued

7.2 The Acquisition is a disclosable transaction for the purposes of Rule 703 of the Listing Manual as it may have a material effect on the price of the shares of the Group. No shareholders' approval is required for the Acquisition pursuant to Chapter 10 of the Listing Manual.

## 8. THE ACQUISITION AS AN INTERESTED PERSON TRANSACTION

The Acquisition is not an interested person transaction.

## 9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE ACQUISITION

Save as disclosed above and to the best knowledge of the Directors, none of the other Directors or other controlling or substantial shareholders of the Company has any interest, direct or indirect, in the Acquisition.

## 10. DOCUMENTS FOR INSPECTION

Copy of the Option is available for inspection during normal business hours at the registered office of the Company at Block 67 Ayer Rajah Crescent #05-12/14, Ayer Rajah Industrial

Estate, Singapore 139950 for a period of three (3) months from the date of this announcement.

By order of the Board  
Q & M DENTAL GROUP (SINGAPORE) LIMITED

Dr. Ng Chin Siau  
Group Executive Director  
6 March 2012

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**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](http://www.QandMDental.com.sg)

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