



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

(Incorporate in the Republic of Singapore)

(Company Registration No. 200800507R)

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**PROPOSED ACQUISITION OF  
BLOCK 131 JURONG GATEWAY ROAD, #01-251, SINGAPORE 600131**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**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 (Jurong East Central) Pte. Ltd. (“**QMJE**”), a wholly owned subsidiary of the Company, has on 9 March 2012, received a conditional option to purchase (the “**Option**”) the premises located at Block 131 Jurong Gateway Road, #01-251, Singapore 600131 (the “**Property**”), from Dr. Ng Chin Siau (“**Dr. Ng**”) and Ms. Foo Siew Jiuian (“**Ms. Foo**” and together with Dr. Ng, the “**Vendors**”).
- 1.2 The Vendors own the Property as joint tenants. QMJE is currently leasing the Property from the Vendors for a monthly rent of S\$4,000 and is operating its dental clinic business on the Property.

**2. INFORMATION ON THE PROPERTY**

- 2.1 The Property is a HDB shop unit, Strata Lot number U42992T, Mukim 5.
- 2.2 Apart from QMJE, part of the ground floor of the Property is currently being leased out to a third party. The lease agreement with the said third party will determine on 31 March 2012, subject to an option to renew for another three (3) years. The Directors understand that the terms of the renewal of this lease is in the process of being negotiated with the said third party.

**3. THE PURCHASE CONSIDERATION**

- 3.1 The purchase consideration payable by QMJE to the Vendors for the Property is S\$3,880,000 (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 and the open market value of the Property.

- 3.2 According to a valuation report (the “**Valuation Report**”), issued by CKS Property Consultants Pte Ltd (the “**Valuer**”), which was commissioned by the Company, as at 21 February 2012, the market value of the Property was S\$3,900,000.

In formulating their opinion on the market value of the Property, the Valuer adopted the market comparison method of valuation. In adopting this approach, the Valuer took into cognizance transactions of comparable properties, the prevailing market condition and underlying economic factors which may be of influence to the trend of the market prices.

- 3.3 The Purchase Consideration will be satisfied by QMJE in cash in the following manner:
- (a) an initial amount of S\$38,800 (being 1% of the Purchase Consideration) has been paid by QMJE to the Vendors in consideration of the Option (the “**Option Monies**”);
  - (b) upon the exercise of the Option by QMJE, QMJE shall pay to the Vendor an amount of S\$155,200 (being 5% of the Purchase Consideration after taking into account the Option Monies paid by QMJE to the Vendors); and
  - (c) the remaining balance of the Purchase Consideration amounting to S\$3,686,000 (being 95% of the Purchase Consideration) shall be paid by QMJE to the Vendors on the date of completion of the acquisition of the Property (the “**Acquisition**”).

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

- 4.1 Completion of the Acquisition is subject to, *inter alia*, the following:

- (a) the Company obtaining approval from its shareholders at an extraordinary general meeting (the “**EGM**”) to be convened for the Acquisition; and
- (b) QMJE receiving any requisite approvals from HDB and other relevant statutory authorities.

- 4.2 The Option will expire at 4.00 p.m. of the day that is the earlier of:

- (a) four (4) months from the date of the Option; or
- (b) two (2) weeks from the date of the EGM.

If the Option is not exercised by the said time and date, the Option will be treated as lapsed and the Option Monies will be forfeited by QMJE.

- 4.3 Completion of the Acquisition shall take place within 12 weeks from the date of the exercise of the Option by QMJE.

- 4.4 The Property will be sold by the Vendors to QMJE subject to the existing lease, which shall be assigned by the Vendors to QMJE on completion of the Acquisition.

- 4.5 The Purchase Consideration will be funded by the Company using its internal funds as well as bank loans.

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

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

6.1 The shareholders should note that the Acquisition constitutes a non-disclosable transaction for the purposes of Chapter 10 of the Listing Manual, as the computed figures under Rule 1006 of the Listing Manual (disclosed in paragraph 6.2 below) fall below five (5) percent. Although shareholders' approval is not required for the Acquisition pursuant to Chapter 10 of the Listing Manual, the Company will be seeking the approval of its shareholders for the Acquisition as the said transaction is an interested person transaction under Chapter 9 of the Listing Manual as described in paragraph 7 below.

6.2 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	46	5,148	0.9
(c) The aggregate value of the Purchase Consideration compared with the Company's market capitalization as at 7 March 2012, being the market day immediately preceding the date of the	3,880	211,924	1.83

## Option

- (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. THE ACQUISITION AS AN INTERESTED PERSON TRANSACTION

- 7.1 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 72.67% of the total number of issued ordinary shares of the Company. Ms. Foo is the wife of Dr. Ng. Hence, Dr. Ng and Ms. Foo are each regarded as an interested person under the Listing Manual. The Acquisition therefore constitutes an interested person transaction under Chapter 9 of the Listing Manual.
- 7.2 The Purchase Consideration represents approximately 15.1% of the latest audited consolidated net tangible assets of S\$25,553,000 of the Group as at 31 December 2010 (the "Group NTA"). As the value of the Acquisition is more than 5% of the Group NTA, for the purposes of Chapter 9 of the Listing Manual, shareholders' approval is required for this transaction.
- 7.3 The Company shall, in due course, issue a circular to its shareholders explaining the rationale for the Acquisition and shall convene the EGM to seek the approval of its shareholders for the Acquisition. The Acquisition is conditional upon the Company obtaining the approval of its shareholders at the EGM to be convened. The Vendors and their associates will abstain from voting in respect of the resolution relating to the Acquisition at the EGM.

## 8. CURRENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

- 8.1 Save for the Acquisition, there are no other interested person transactions which were entered with the Vendors for the current financial year (i.e. FY 2012) up to the date of this announcement that needs to be aggregated with the value of the Acquisition pursuant to Rule 906 of the Listing Manual, as the said transactions were below S\$100,000. For the benefit of the shareholders, the ongoing interested person transactions with the Vendor(s) are described in paragraphs 8.2 and 8.3 below.
- 8.2 QMJE had leased the Property from the Vendors for the period commencing from 1 January 2008 to 30 June 2011, at a monthly rental of S\$3,500. Thereafter, QMJE had on 1 July 2011 entered into another three (3) year lease with the Vendors in respect of the Property at a monthly rental of S\$4,000, which is continuing as at the date of this Announcement.
- 8.3 Q & M Dental Surgery (Serangoon) Pte. Ltd., a wholly owned subsidiary of the Company, had on 1 July 2011, entered into a lease agreement with Dr. Ng, Dr. Kuan Chee Keong, Dr. Benita Tan and Dr. Wong Dai Chong in respect of the premises located at 153 Serangoon North

Avenue 1, #01-536, Singapore 550153 for a period of three (3) years at a monthly rent of S\$4,700 for the purpose of operating its dental clinic business.

- 8.4 The total value of all interested person transactions entered into by the Company, including transactions which are less than S\$100,000 and the Acquisition, for the current financial year up to the date of this announcement is S\$3,985,375, representing approximately 15.6% of the Group NTA.

**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. AUDIT COMMITTEE STATEMENT**

Having considered and reviewed, *inter alia*, the salient terms of the Acquisition, the rationale for and benefits of the Acquisition and the financial effects of the Acquisition, the audit committee of the Company is of the view that the Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

**11. CIRCULAR**

A circular setting out further information and details of the Acquisition, together with a notice of the extraordinary general meeting to be convened, will be despatched by the Company to its shareholders in due course.

**12. DOCUMENTS FOR INSPECTION**

Copies of the Option and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at Blk 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 Chief Executive Officer  
12 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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