

PRE-CONDITIONAL MANDATORY CASH OFFER

by



Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

to acquire

all the issued ordinary shares in the capital of **SINGAPORE MEDICAL GROUP LIMITED**

(Company Registration No. 200503187W)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired
by the Offeror (as defined below)

1. INTRODUCTION

1.1 The Proposed Acquisition

1.1.1 Q & M Dental Group (Singapore) Limited (the “**Offeror**”) wishes to announce that the Offeror had on 27 December 2012 entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Dr. Xiaoyan Baumann Geb. Bi. (“**XB**”) and Mr. Felix Huang Keming (“**FH**”, and together with XB, the “**Vendors**”) relating to the sale and purchase of an aggregate of 105,767,700 ordinary shares (the “**Sale Shares**”) in the capital of Singapore Medical Group Limited (“**SMG**”), representing approximately 72.57% of all the issued ordinary shares¹ (the “**SMG Shares**”) in the capital of SMG, for a cash consideration of S\$0.1323 for each Sale Share (the “**Proposed Acquisition**”).

1.1.2 As at the date of this Announcement, XB owns an aggregate of 75,992,700 SMG Shares, representing approximately 52.14% of all the issued SMG Shares.

As at the date of this Announcement, FH owns an aggregate of 29,775,000 SMG Shares, representing approximately 20.43% of all the issued SMG Shares.

Both XB and FH are disposing their entire shareholding in SMG to the Offeror pursuant to the Sale and Purchase Agreement.

¹ In this Announcement, for the purpose of computation, the number of SMG Shares is 145,736,000, as provided by the Vendors to the Offeror.

- 1.1.3 As at the date of this Announcement, the Offeror does not own or control, directly or indirectly, any SMG Shares.
- 1.1.4 Upon completion of the Proposed Acquisition, the Offeror will hold an aggregate of 105,767,700 SMG Shares, representing approximately 72.57% of all the issued SMG Shares.
- 1.1.5 Completion of the Proposed Acquisition is subject to the fulfillment and/or waiver of the conditions precedent in the Sale and Purchase Agreement, referred to in paragraph 2 of this Announcement (the “**Conditions Precedent**”).

1.2 **Pre-Conditional Mandatory Cash Offer**

Subject to the fulfillment and/or waiver of the Conditions Precedent and in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror is required and intend to, on completion of the Proposed Acquisition, make a mandatory cash offer (the “**Offer**”) for all the SMG Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”). Accordingly, subject to the satisfaction and/or waiver of the Conditions Precedent and on completion of the Proposed Acquisition, the Offeror will make the Offer.

THE OFFER WILL NOT BE MADE UNLESS AND UNTIL THE CONDITIONS PRECEDENT ARE SATISFIED AND/OR WAIVED AND COMPLETION OF THE PROPOSED ACQUISITION OCCURS IN ACCORDANCE WITH THE TERMS OF THE SALE AND PURCHASE AGREEMENT. ACCORDINGLY, ALL REFERENCES TO THE OFFER IN THIS ANNOUNCEMENT REFER TO THE PRE-CONDITIONAL MANDATORY CASH OFFER WHICH WILL ONLY BE MADE IF AND WHEN THE CONDITIONS PRECEDENT OF THE PROPOSED ACQUISITION ARE SATISFIED AND/OR WAIVED AND COMPLETION OF THE PROPOSED ACQUISITION OCCURS IN ACCORDANCE WITH THE TERMS OF THE SALE AND PURCHASE AGREEMENT.

SHAREHOLDERS OF SMG SHOULD EXERCISE CAUTION AND SEEK APPROPRIATE INDEPENDENT ADVICE WHEN DEALING IN THE SMG SHARES.

2. **CONDITIONS PRECEDENT TO THE PROPOSED ACQUISITION**

Completion of the sale and purchase of the Sale Shares will be effected upon the satisfaction and/or waiver by the Offeror of the following Conditions Precedent:

- (a) all necessary approvals under applicable competition laws having been obtained from the relevant competition authorities in the relevant jurisdictions where the companies under the SMG Group (being SMG and its subsidiaries and hereinafter referred to as the “**SMG Group**”) have been incorporated and/or have operations (if so required), in particular, the Competition Commission of Singapore having made a favourable decision that the

Proposed Acquisition and the Offer will not, if carried into effect, infringe the prohibition under Section 54 of the Competition Act (Cap. 50B) of Singapore;

- (b) all other necessary consents, approvals and waivers required under applicable laws and regulations and/or from the relevant authorities for the Proposed Acquisition and all other transactions in connection therewith or incidental thereto, being granted and not being withdrawn or revoked before completion of the Proposed Acquisition, and if such consents, approvals and waivers are obtained subject to any conditions and where such conditions affect any of the parties, such conditions being capable of adherence before completion of the Proposed Acquisition, such conditions being fulfilled before completion of the Proposed Acquisition; and
- (c) all representations and warranties of the parties contained in the Sale and Purchase Agreement being true and accurate from the date of the execution of the Sale and Purchase Agreement until completion of the Proposed Acquisition.

The Offer will not be made by the Offeror unless the Conditions Precedent are satisfied and/or waived and completion of the Proposed Acquisition occurs by 15 May 2013 (or such other date as the Offeror and the Vendors may agree in writing) (the “Long Stop Date”).

3. OTHER SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 The Outstanding Redeemable Convertible Preference Shares

As at the date of this Announcement, SMG has 25,516,644 outstanding redeemable convertible preference shares (the “**SMG RCPS**”) with each outstanding SMG RCPS convertible into one (1) new SMG Share at any time for a period of 6.5 calendar years from 6 June 2012.

Under the terms of the Sale and Purchase Agreement, the Vendors shall procure Kendall Court Vision (Pte) Ltd (the “**SMG Investor**”) to exercise its rights under the terms of the SMG RCPS to redeem the outstanding SMG RCPS immediately upon completion of the Proposed Acquisition by delivering to SMG a notice of redemption in accordance with the Articles of Association of SMG. The Vendors shall be liable for any sum equal to any arrears, deficiency or accruals of any dividends payable and liquidated damages, if any, for the early redemption.

3.2 Disposal of Singapore Medical Group (HK) Limited

SMG has been investing and expanding its business into China (excluding Hong Kong, Macau and Taiwan) (the “**Territory**”) by way of and through its wholly owned subsidiary, Singapore Medical Group (HK) Limited (“**SMG (HK)**”).

It is the intention of the Offeror and the Vendors that SMG shall, upon completion of the Proposed Acquisition, cease to invest and expand further into the Territory through SMG (HK) and the Vendors be entitled to take over SMG’s interest in SMG (HK). Accordingly, under the terms of the

Sale and Purchase Agreement and contemporaneously with the completion of the Proposed Acquisition:

- (a) the Vendors shall enter into an agreement with SMG to acquire from SMG all the issued shares in SMG (HK) for the sum of HK\$100; and
- (b) the Vendors shall procure SMG (HK) or pay on behalf of SMG (HK) all outstanding inter-company loans owing by SMG (HK) to SMG including but not limited to a loan of S\$1,500,000 that has been extended by SMG to SMG (HK).

Therefore, pursuant to the terms of the Sale and Purchase Agreement, the Vendors are obliged to ensure that all debts due to SMG from SMG (HK) are discharged on or prior to the date of completion of the Proposed Acquisition and shall acquire SMG (HK) on the date of completion of the Proposed Acquisition. In connection therewith, SMG will grant to SMG (HK) a non-exclusive licence to use the trademark "SMG" or "Singapore Medical Group" for a period of three (3) years from the date of completion of the Proposed Acquisition in Beijing.

4. OFFER ANNOUNCEMENT AND DESPATCH OF OFFER DOCUMENT

4.1 Offer Announcement

If and when the Conditions Precedent are satisfied and/or waived and completion of the Proposed Acquisition occurs, the Offeror will immediately announce a firm intention to make the Offer (the "**Offer Announcement**").

4.2 Offer Document

The formal document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer (the "**Offer Document**") will be despatched to the shareholders of SMG not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

However, if the Conditions Precedent are not satisfied and/or waived and completion of the Proposed Acquisition does not occur by the Long Stop Date, the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable.

Shareholders are advised to exercise caution when dealing in the SMG Shares.

5. DETAILS OF THE OFFER

5.1 Terms of the Offer

- 5.1.1 The Offer will be extended to the Offer Shares, subject to the terms and conditions set out in the Offer Document.

5.1.2 The Offer, if and when made, will be on the following basis:

For each Offer Share: S\$0.1323 in cash (the “Offer Price”).

The Offer Price is based on the cash consideration to be paid by the Offeror to the Vendors for each Sale Share under the Sale and Purchase Agreement. **The Offeror does not intend to revise the Offer Price upwards.**

5.1.3 The Offer Shares will be acquired:

- (a) fully-paid;
- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto (including all voting rights and the right to receive and retain all dividends and other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by SMG on or after the date of this Announcement together with all interest accrued thereon). **If any dividend, other distribution or return of capital is declared, made or paid on or after the date of this Announcement by SMG, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.**

5.1.4 As at the date of this Announcement, there are 25,516,644 outstanding SMG RCPS which are convertible into, *inter alia*, new SMG Shares. Under the terms of the Sale and Purchase Agreement, the Vendors shall procure the SMG Investor to exercise its rights under the terms of the SMG RCPS to redeem the outstanding SMG RCPS on the date of completion of the Proposed Acquisition. If for any reason whatsoever, the SMG RCPS are not redeemed on completion of the Proposed Acquisition and remains outstanding thereafter, and the Offeror nevertheless elects to waive the breach and proceed to complete the Proposed Acquisition, the Offer, if and when made, will be extended to the outstanding SMG RCPS and to all new SMG Shares unconditionally issued pursuant to the conversion of any outstanding SMG RCPS prior to the close of the Offer. As the “see-through value” of the SMG RCPS is negative based on the Offer Price for each Offer Share, the Offer, if made to the SMG Investor, will be made at a nominal sum of S\$0.000001 for each outstanding SMG RCPS. The Offer, if made to all new SMG Shares unconditionally issued pursuant to the conversion of any outstanding SMG RCPS prior to the close of the Offer, will be made on the same terms and conditions for all the Offer Shares. For the purposes of the Offer, the expression “Offer Shares” shall include such new SMG Shares.

5.2 Unconditional Offer

Pursuant to Rule 14.2 of the Code, an offer, when made, will be conditional upon the offeror having received, on or prior to the close of the offer, valid acceptances in respect of such number of offer shares which, when taken together with the number of shares owned, controlled or

agreed to be acquired by the offeror (either before or during the offer and pursuant to the offer or otherwise), will result in the offeror holding such number of shares carrying more than 50% of the voting rights of the total issued shares of the offeree as at the close of the offer (including any voting rights attributable to any new shares issued or to be issued pursuant to any valid exercise of securities which are convertible into new shares of the offeree).

As at the date of this Announcement, the total number of issued SMG Shares is 145,736,000 and the Sale Shares represent approximately 72.57% of all the issued SMG Shares.

It is the intention of the Offeror that all the outstanding SMG RCPS shall be redeemed by the SMG Investor on the date of completion of the Proposed Acquisition. Upon the redemption of all the outstanding SMG RCPS, the total number of issued SMG Shares remains as 145,736,000 and the Sale Shares continue to represent approximately 72.57% of all the issued SMG Shares.

If for any reason whatsoever, all the outstanding 25,516,644 SMG RCPS are not redeemed on the date of completion of the Proposed Acquisition and are subsequently converted into new SMG Shares by the SMG Investor, the enlarged issued share capital of SMG will comprise 171,252,644 SMG Shares and the Sale Shares will represent approximately 61.76% of the enlarged issued share capital of SMG.

Accordingly, the Offer, if and when made, will not be conditional upon a minimum number of acceptances being received by the Offeror.

6. OUTSTANDING SMG RCPS

As at the date of this Announcement, there are 25,516,644 outstanding SMG RCPS with each outstanding SMG RCPS convertible into one (1) new SMG Share at any time for a period of 6.5 calendar years from 6 June 2012.

Under the terms of the Sale and Purchase Agreement, the Vendors shall procure the SMG Investor to exercise its rights under the terms of the SMG RCPS to redeem the outstanding SMG RCPS immediately upon completion of the Proposed Acquisition by delivering to SMG a notice of redemption in accordance with the Articles of Association of SMG.

If for any reason whatsoever, the outstanding SMG RCPS are not redeemed on completion of the Proposed Acquisition and remains outstanding thereafter, and the Offeror elects to waive the breach and proceeds to complete the Proposed Acquisition, the Offer, if and when made, will be extended to the outstanding SMG RCPS and to all new SMG Shares unconditionally issued pursuant to the conversion of any outstanding SMG RCPS prior to the close of the Offer. As the "see-through value" of the SMG RCPS is negative based on the Offer Price for each Offer Share, the Offer, if made to the SMG Investor, will be made at a nominal sum of S\$0.000001 for each outstanding SMG RCPS. The Offer, if made to all new SMG Shares unconditionally issued pursuant to the conversion of any outstanding SMG RCPS prior to the close of the Offer, will be made on the same terms and conditions for all the Offer Shares.

7. FINANCIAL EVALUATION OF THE OFFER

7.1 Evaluation of the Offer Price

The Offer Price represents the following premia over the historical traded prices of the SMG Shares:

	SMG Share price (S\$) ⁽¹⁾	Premium over SMG Share price (%)
(a) Last transacted price as quoted on the SGX-ST as at 21 December 2012 ⁽²⁾	0.094	40.74
(b) Volume weighted average price (“VWAP”) for the one-week period up to 21 December 2012	0.094	40.74
(c) VWAP for the one-month period up to 21 December 2012	0.0986	34.18
(d) VWAP for the three-month period up to 21 December 2012	0.1013	30.60
(e) VWAP for the six-month period up to 21 December 2012	0.1040	27.20
(f) VWAP for the 12-month period up to 21 December 2012	0.1231	7.47

Notes:

(1) The figures set out in this paragraph 6.1 are based on data extracted from Bloomberg.

(2) 21 December 2012 is the last full trading day prior to the date of this Announcement.

7.2 Further Financial Information

Further information on the financial aspects of the Offer will be set out in the Offer Announcement to be released on completion of the Proposed Acquisition (if and when it occurs) and the Offer Document to be despatched to the shareholders of SMG in due course thereafter.

8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR SMG

8.1 Rationale for the Offer

The Offeror and its subsidiaries (collectively the “**Q&M Group**”) have built a successful network of dental clinics in Singapore, providing both general practitioner and specialist services. In doing so, the Q&M Group has a significant data base of patients and developed expertise in providing and managing optimal patient care. In tandem with its strategy of expansion overseas, the Offeror has been considering the expansion of its business into allied areas, where its resources and experience can be used to best effect. A natural expansion would be into the field of medical services. The placement exercise (referred to in a separate announcement made by the Offeror on 27 December 2012) brings into the Offeror strategic, long term investors, who share this view and who have subscribed to the placement shares.

SMG is an established and reputable group offering a comprehensive range of medical services to its patients since 2006. SMG has a strong group of specialists and a large patient database in excess of 80,000. SMG can offer its comprehensive specialist medical services to the Q&M Group's existing 450,000 patients' database and the Q&M Group can offer its general and specialist dental services to SMG's patients base. SMG also has representative offices in Indonesia, Vietnam and affiliated eye clinics in Philippines which can be used to promote the dental services of the Q&M Group.

The Proposed Acquisition will provide a good platform for the Offeror to expand more effectively in allied medical and dental segments. Post-acquisition there will be a sharing of resources such as premises, nurses and management support and removal of duplication of resources, thereby resulting in lower overheads and synergy. The ability to operate effectively in both the medical and dental spaces will also benefit the Offeror's overseas expansion strategies. The Q&M Group and SMG will be able to offer patients in Singapore, China and South East Asia countries a one-stop specialist medical services and dental services.

The Offer, if made, will be made in compliance with the Offeror's obligations under Rule 14.1 of the Code.

8.2 The Offeror's Intentions for SMG

Following completion of the Proposed Acquisition, the Offeror presently intends to realise synergies between the complementary businesses and operations of the Offeror and SMG. Following the close of the Offer, the Offeror intends to undertake a comprehensive review of the organisation, businesses and operations of the SMG Group and work closely with SMG to develop appropriate initiatives in this regard and to integrate operations as required.

The Offeror presently has no intention to (i) introduce major changes to the business of SMG, (ii) redeploy the fixed assets of SMG, or (iii) discontinue the employment of the employees of the companies under the SMG Group, other than in the ordinary course of business.

Nevertheless, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the SMG Group which may present themselves and which they may regard to be in the interest of the SMG Group.

9. LISTING STATUS

9.1 No Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, Cap. 50 of Singapore (the “**Companies Act**”), in the event that the Offeror receives valid acceptances pursuant to the Offer in respect of not less than 90% of the SMG Shares (other than those already held by Offeror), the Offeror would have the right to compulsorily acquire all the SMG Shares of the shareholders who have not accepted the Offer at a price equal to the Offer Price. **As the Offeror intends to maintain the listing status of SMG, it does not intend to exercise any rights of compulsory acquisition which it may have under Section 215(1) of the Companies Act.**

Dissenting shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their SMG Shares in the event that the Offeror acquires, pursuant to the Offer, such number of SMG Shares which, together with the SMG Shares held by the Offeror, comprise 90% or more of the total number of SMG Shares in issue. Dissenting shareholders who wish to exercise such right are advised to seek their own independent legal advice.

9.2 Free Float Requirement

Under Rule 1104 of the Listing Manual on Catalist Rules of the SGX-ST (the “**Catalist Listing Manual**”), upon the announcement by the Offeror that valid acceptances have been received that bring the SMG Shares held by the Offeror to above 90% of the total number of SMG Shares in issue (excluding treasury shares), the SGX-ST may suspend the trading of the SMG Shares until such time it is satisfied that at least 10% of the SMG Shares in issue are held by at least 200 shareholders who are members of the public.

In addition, under Rule 724(1) of the Catalist Listing Manual, if the percentage of SMG Shares held in public hands falls below 10%, SMG must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of the SMG Shares. Rule 724(2) of the Catalist Listing Manual states that the SGX-ST may allow SMG a period of three (3) months or such longer period as the SGX-ST may agree, to raise the percentage of SMG Shares in public hands to at least 10% failing which SMG may be delisted from the Catalist Board of the SGX-ST.

As it is the current intention of the Offeror to preserve the listing status of SMG on the Catalist Board of the SGX-ST, the Offeror reserves the right to take appropriate actions to comply with Rule 724(1) and Rule 1104 of the Catalist Listing Manual, including but not limited to carrying out a placement of the SMG Shares such that at least 10% of the SMG

Shares are held by at least 200 shareholders who are members of the public, should the need arises.

10. INFORMATION ON THE OFFEROR

The Offeror is a public limited company incorporated in the Republic of Singapore on 7 January 2008 and is listed on the Main Board of the SGX-ST.

The Offeror is a growing private dental healthcare group in Asia. The Q&M Group operates the largest network of dental outlets in Singapore and is building its presence in China and Malaysia. Founded in 1996, the Q&M Group has built an established brand through its reputation as a reliable provider of quality dental healthcare services.

In Singapore, the Q&M Group has 51 dental clinics strategically located island-wide, four dental centres and one mobile dental clinic. It also owns two dental supplies and equipment distribution companies. The Q&M Group currently has a team of about 170 experienced dentists, supported by about 300 clinic staff, to provide quality service to its more than 450,000 patient pool island-wide.

The Q&M Group is presently executing plans to expand its presence in the overseas markets. As at the date of this Announcement, the Q&M Group has invested in two dental healthcare groups in China that operate a total of seven dental clinics, one dental centre and a mobile dental clinic in Beijing and Nanjing cities. It also operates 1 dental clinic in Shanghai. It also has a 70% stake in a dental practice in Johor, Malaysia, which operates three clinics.

The directors of the Offeror are Mr. Narayanan Sreenivasan, Dr. Ng Chin Siau, Dr. Ng Jet Wei, Dr. Ang Ee Peng Raymond, Mr. Wong Hin Sun Eugene and Mr. Ng Wen Sui Harry.

More information relating to the Q&M Group is available on their website at <http://www.qandm.com.sg>.

11. INFORMATION ON SMG

SMG is a public limited company incorporated in the Republic of Singapore on 10 March 2005 and is listed on the Catalist Board of the SGX-ST.

The SMG Group is principally engaged in the business of providing multi-disciplinary specialist healthcare services across the fields of ophthalmology, aesthetic medicine, orthopaedic, oncology and obstetrics and gynaecology.

The SMG Group currently operates 15 medical clinics in Singapore which are categorised into four medical clusters:

- (a) eye cluster;

- (b) aesthetics cluster;
- (c) orthopaedic and sports cluster; and
- (d) critical illness cluster.

The directors of SMG are Mr. Felix Huang Keming, Dr. Xiaoyan Baumann Geb. Bi, Mrs See-Toh Wai Keong, Mr. Ho Lon Gee, Mr. Lew Foon Keong Charles and Mr. Jimmy Yim Wing Kuen.

The continuing sponsor of SMG is Asian Corporate Advisors Pte. Ltd.

More information relating to the SMG Group is available at their website at <http://www.smg.sg>.

12. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

12.1 No Other Holdings and Dealings in the SMG Shares

Save for the Proposed Acquisition, the Offeror (a) does not own, control or has agreed to acquire any SMG Shares or other securities which carry voting rights in SMG or are convertible into SMG Shares or securities which carry voting rights in SMG, or rights to subscribe for, or options in respect of, SMG or such securities as at the date of this Announcement, or (b) has dealt for value in any SMG Shares during the six-month period immediately preceding the date of this Announcement.

12.2 Irrevocable Undertaking

No person has, prior to the date of this Announcement, given any irrevocable undertaking to the Offeror to accept or not to accept the Offer.

12.3 Confidentiality

In the interests of confidentiality, the Offeror has not made any enquiries in respect of certain parties who are acting in concert with it in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Offer Document.

13. OVERSEAS JURISDICTION

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable laws. The Offer, if made, will be made solely by the Offer Document and the forms of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer (including details of how the Offer may be accepted), and the Offeror reserves the right to extend or communicate the Offer to the shareholders of SMG by any announcement, advertisement or notification. **For the avoidance of**

doubt, the Offer (if and when made) is open to all the shareholders of SMG holding Offer Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (the “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer, unless otherwise determined by the Offeror and permitted by applicable law and regulation, will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically, or electronically) of interstate or foreign commerce of, or any facility or a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer to shareholders of SMG whose addresses are outside Singapore, as shown in the register of members of SMG or as the case may be, in the records of The Central Depository (Pte) Limited (the “**Overseas Shareholders**”) may be affected by laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements.

14. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Vendors or SMG, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

By Order of the Board
Q & M Dental Group (Singapore) Limited

Dr. Ng Chin Siau
Group Chief Executive Officer
27 December 2012

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS IN THAT JURISDICTION.

Any enquiries relating to this Announcement or the Offer should be directed to the following persons:

General Counsel

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Chief Financial Officer

Vitters Sim Yu Xiong Tel: 6779 7371 Email: vitters@qandm.com.sg