



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

Q & M launches S\$22.65 million takeover bid for Singapore Medical Group to expand into medical specialist healthcare practice

- Substantial shareholders holding 72.57% have accepted Q & M's offer of \$0.1323 per share, a 41% premium over last traded share price of Singapore Medical Group Limited
- The proposed takeover triggers a general offer for the remaining shares of SMG at \$0.1323
- The proposed takeover of SMG is expected to create synergies with the offering of comprehensive and holistic specialty care in the region

Singapore, 27 December 2012 – Q & M Dental Group (Singapore) Ltd (全民牙医集团 (新加坡) 有限公司) ("Q & M") has announced a takeover bid of about S\$22.65 million for Catalyst-listed Singapore Medical Group Limited ("SMG"), accelerating access into the lucrative multi-disciplinary specialist medical practice in the region.

Q & M, the largest private dental healthcare group in Singapore providing both general practitioner and specialist services, is offering S\$0.1323 for each share of SMG. The offer price is a 41% premium over SMG's last traded share price of S\$0.094 on 21 December 2012. As at 30 June 2012, the book value and net tangible asset value of SMG shares was about S\$4.23 million respectively. Based on the weighted average share price of SMG on 21 December 2012, the market value of SMG shares was about S\$13.69 million.

Q & M will purchase a 72.57%-stake from two substantial shareholders of SMG – Felix Huang and Dr Xiaoyan Baumann Geb Bi – for a total price of S\$13.99 million. Huang is the Chairman of SMG while Dr Baumann is the Chief Executive Officer.

The proposed transaction triggers a mandatory general offer for the remaining shares of SMG at S\$0.1323 a share. Barring any unforeseen circumstances, the proposed deal is expected to complete in second quarter of 2013.

To finance the proposed deal, Q & M will mainly use proceeds from placement of shares, together with internal funds and current credit lines. S\$16.77 million will be raised by placing out fifty-five million shares of Q & M at S\$0.305 a share, to Dr Kelvin Koh Shunjie and Dr Felicia Koh Shuhui. Both individuals have agreed to a moratorium on selling the placement Q & M shares until 31 December 2017, thus showing their commitment to the long-term, post acquisition prospects of Q & M. Q & M also looks forward to the possibility of tapping their professional skills in the medical segment of the post acquisition group.

The shares placement represents about 9.08% of the enlarged issued share capital of Q & M. There is no discount to the price of the shares placement, which is the weighted average price of S\$0.305 for each Q & M share, based on its last traded share price on 21 December 2012.

In tandem with its strategy of expansion overseas, Q&M 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.

Commenting on the proposed takeover of SMG, Founder and Chief Executive Officer of Q & M Dr Ng Chin Siau said: "We are pleased and excited to embark on a new chapter with SMG. This significant milestone gives us a good platform to springboard into the medical scene as we plan to set up a chain of general medical practices in the near future. The existing team and viable operational structures within SMG give us a good start. With this in mind, we intend to strengthen and cement our presence as one of the leading medical groups in the region that delivers continued excellence through gold standards in care."

The proposed deal is expected to create a regional healthcare group that offers comprehensive and holistic medical care from unique specialty centres of excellence, in line with the trend of increasing consumer expenditure on healthcare services, longer life expectancy among Asians and stronger purchasing power in Asia.

SMG currently operates 15 medical clinics in Singapore which are categorized into four medical clusters: Eye, Aesthetics, Orthopaedic and Sports, and Critical Illness. Both Q & M and SMG would be able to better complement its current businesses and operations through the sharing of resources such as premises, supporting staff and management, and enhancing the availability of specialty dental and medical care to their combined pool of patients. SMG currently has a patient database in excess of 80,000, while Q & M has more than 450,000 patients in its database.

Associate Professor Patrick Tseng, Chief Dental Officer, Ministry of Health stated "*We are encouraged by the joining of Q & M and SMG as this collaboration provides for seamless integration of both medical and dental services, especially in cases such as medically compromised patient where the patient is able to access and address both their medical and dental problems in one-stop. This deal will also provide patients with ready access to the holistic management of their medical and dental needs and will certainly improve accessibility for the public at large.*"

On the strategic investment, Mr Lee Yee Fung, Group Director for Lifestyle Business of International Enterprise (IE) Singapore said, *“IE Singapore has been partnering Q & M in its internationalisation plans since 2009. This current investment will enable Q & M to expand their service offerings in China to include specialist medical services, in particular aesthetics medicine. The cosmetic surgery industry is currently valued at US\$2.5 billion in China, and is expected to grow at 20% annually. IE Singapore encourages more home-grown companies to explore different growth options to compete in the international markets.”*

—END—

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

Q & M Dental Group (S) Limited [QC7.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 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 Group 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.

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 operates one clinic in Shanghai. It also has a 70% stake in a dental practice in Johor, Malaysia, which operates three 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

Issued on behalf of Q&M Dental Group

For more information please contact:

Kamal Ryan Samuel
Director
Financial PR
Mobile: +65 9229 4410

Email: kamal@financialpr.com.sg

Karen Yap
Senior Consultant
Financial PR
Mobile: +65 9738 6291

Email: karen@financialpr.com.sg