



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number 200800507R)

(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 70% SHAREHOLDING IN NG GK DENTAL SURGERY (MELAKA) SDN BHD "NGDS"

1. THE PROPOSED ACQUISITION

- 1.1 The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that, Q & M Dental Group (Malaysia) Sdn Bhd ("**Q&M Msia**"), a wholly owned subsidiary of the Company (the "**Purchaser**"), have on 1 March 2014 entered into a conditional share sale and purchase agreement and ancillary agreements (the "**Agreements**") with Dr Ng Guat Kiat ("**Dr Ng**") and Mr Yew Kwong Chai ("**Mr Yew**") (collectively the "**Vendors**") for the acquisition (the "**Proposed Acquisition**") from the Vendors of 70% of NGDS's shareholding for a cash consideration of RM490,000 (approximately S\$189,000)¹ (the "**Consideration**").
- 1.2 Following the completion of the Proposed Acquisition, the Purchaser shall hold shares in NGDS representing 70% of NGDS's issued and paid-up share capital whilst Dr Ng shall hold shares in NGDS representing 30% of NGDS's issued and paid-up share capital, and accordingly NGDS shall become a subsidiary of the Company. Mr Yew shall no longer hold any shares in NGDS.
- 1.3 The sale and purchase of the shares is subject to, *inter alia*, the following conditions precedent:
- (a) Dr Ng shall ensure that all the assets, including existing stocks of consumables, equipment and cash, valued at not less than RM50,000 (approximately S\$19,000) of NDS are transferred to NGDS free of encumbrances, liens, pledges or mortgage;
 - (b) Dr Ng shall execute a 5 year service contract with Q&M Msia on such terms and conditions as required by the Purchaser; and
 - (c) The Purchase being wholly satisfied with the legal, financial and operational due diligence on NGDS and the Vendors.
- 1.4 The Proposed Acquisition constitutes a non-discloseable transaction under Rule 1008 of the Listing Manual.

2. INFORMATION ON NGDS

NGDS is a private limited company incorporated in Malaysia under the Companies Act 1965 and has, at the date hereof, an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM2 divided into 2 ordinary shares of RM1.00 each. The current shareholders of NGDS are Dr Ng and Mr Yew who each owns 1 share in NGDS's share capital respectively. Prior to completion of the Agreements, Dr Ng shall increase the paid up capital of NGDS to RM70,000. Dr Ng owns and operates a dental clinic known as Ng Dental Clinic ("**NDC**") in Melaka, Malaysia.

¹ The exchange rate of S\$1.00 to RM2.59 has been used in this announcement.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's expansion plans into Malaysia. The Company intends to achieve a bigger market share of the dental business in Malaysia through organic growth or through joint ventures with third parties. This is the first clinic being acquired by the Group in Melaka, Malaysia and this Proposed Acquisition will enable the Group to tap into the Melaka dental tourism market.

4. THE CONSIDERATION

The Consideration will be satisfied fully in cash, and was arrived at on a willing buyer, willing seller basis. In arriving at the Consideration, the Board had taken into account NGDS's assets and the 5 year service agreement between the Purchaser and Dr Ng. The Board is of the opinion that the consideration is fair given the unique value proposition that the Proposed Acquisition brings to the Group as further explained in paragraph 3 on the rationale for the Proposed Acquisition.

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

Dr. Ng Chin Siau
Group Chief Executive Officer
3 March 2014

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

Q & M Dental Group [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, five dental centres and one mobile dental clinic. It also owns two dental supplies and equipment distribution companies. The Group has a team of about 180 experienced dentists, supported by about 300 clinic support staff, to provide quality service to its patient pool of more than 450,000 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 operates two clinics in Shanghai. It also has operates 8 clinics in Malaysia and a dental equipment distribution company.

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

For more information please contact:

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