



**Q & M DENTAL GROUP (SINGAPORE) LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200800507R)

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE –  
UPDATE ON NUMBER OF RIGHTS SHARES**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) refers to the following:

- (a) the Company’s announcement dated 30 June 2014 (the “**Rights Issue Announcement**”) in relation to the proposed renounceable non-underwritten rights issue of up to 140,481,405 new ordinary shares in the capital of the Company and the Company’s announcement dated 14 July 2014 in relation to the receipt by the Company of an irrevocable undertaking dated 11 July 2014 from Heritas Helios Investments Pte. Ltd.;
- (b) the Company’s announcement dated 7 July 2014 in relation to the completion of the acquisition of a 60% stake in Aoxin Stomatology Group in Shenyang, China;
- (c) the Company’s announcements dated 16 July 2014 and 22 July 2014 in relation to the completion of the acquisition of 100% of the shareholding in Foo & Associates Pte. Ltd. and the issue of 15,089,163 new ordinary shares in the capital of the Company as consideration shares to Dr. Foo Mooh Thong;
- (d) the Company’s announcement dated 23 July 2014 in relation to the issue and allotment of an aggregate of 604,000 ordinary shares in the capital of the Company, at the exercise price of S\$0.435 each, pursuant to the exercise of options granted under the Q & M Employee Share Option Scheme; and
- (e) the Company’s announcement dated 29 July 2014 in relation to the conversion notice in respect of the US\$5,000,000 convertible loan made available by International Finance Corporation (“**IFC**”) to the Company pursuant to a loan agreement dated 27 April 2011 entered into between the Company and IFC and the announcement dated 11 September 2014 in relation to the receipt of approval-in-principle from the SGX-ST for the admission to the Official List of the SGX-ST and the listing and quotation of the 830,040 additional new ordinary shares to be issued to IFC pursuant to the said conversion notice.

Unless otherwise defined herein, capitalised terms in this Announcement shall have the meaning given to them in the Rights Issue Announcement.

**2. NUMBER OF RIGHTS SHARES**

- 2.1 The Company wishes to provide an update on the size of the Rights Issue. Based on the information provided in this paragraph 2, the maximum number of new Shares to be issued

pursuant to the Rights Issue will increase from 140,481,405 new Shares to 142,370,582 new Shares (the “**Rights Shares**”).

- 2.2 As previously announced on 16 July 2014 and 22 July 2014, the Company has completed the acquisition of 100% of the shareholding in Foo & Associates Pte. Ltd. and issued and allotted 15,089,163 new ordinary shares in the capital of the Company as consideration shares to Dr. Foo Mooh Thong. Further, as previously announced on 23 July 2014, the Company has issued and allotted an aggregate of 604,000 Shares pursuant to the exercise of all the ESOS Options.
- 2.3 Accordingly, as at the date of this Announcement, the issued share capital of the Company (excluding treasury shares) comprises 621,146,157 Shares (the “**Existing Share Capital**”). In addition:
- (a) as previously announced on 29 July 2014, 19,090,909 Loan Conversion Shares are to be issued pursuant to the conversion by IFC of the US\$5 million outstanding amount of the convertible loan (equivalent to S\$6,300,000 based on the agreed exchange rate of US\$1.00 to S\$1.26) at the adjusted conversion price of S\$0.33 per Loan Conversion Share. The Company has obtained the necessary approval-in-principle from the SGX-ST for the issuance and allotment of all the Loan Conversion Shares to IFC; and
- (b) as previously announced on 30 July 2013, 13 November 2013, 3 December 2013, 12 February 2014 and 7 July 2014, the acquisition of a 60% stake in Aoxin Stomatology Group in Shenyang, China has been completed. RMB20 million out of the total consideration of RMB108 million is payable by the allotment and issuance of 8,615,847 new Shares (the “**Aoxin Consideration Shares**”) at an issue price of S\$0.4665 per Aoxin Consideration Share. The allotment and issuance of the Aoxin Consideration Shares is subject to the Aoxin Stomatology Group fulfilling certain ancillary conditions and the Company is awaiting the SGX-ST’s approval-in-principle for the listing and quotation of the Aoxin Consideration Shares.
- 2.4 In the event the Loan Conversion Shares, the Call Option Shares and the Aoxin Consideration Shares are issued, the issued share capital of the Company (excluding treasury shares) will increase to 711,852,913 Shares.
- 2.5 Based on the Existing Share Capital and assuming that:
- (a) on or prior to the Book Closure Date:
- (i) all the Loan Conversion Shares are issued;
- (ii) Shareholders’ approval for the issuance of the Call Option Shares is obtained and all the Call Option Shares are issued; and
- (iii) all the Aoxin Consideration Shares are issued; and
- (b) all the Entitled Shareholders subscribe in full for their *pro-rata* Rights Shares,
- (collectively referred to as the “**Maximum Subscription Scenario**”), the Company will issue 142,370,582 Rights Shares under the Rights Issue.
- 2.6 Based on the Existing Share Capital and assuming that (a) none of the Loan Conversion Shares, the Call Option Shares and the Aoxin Consideration Shares are issued on or prior to the Books Closure Date; and (b) only Quan Min Holdings Pte. Ltd., Dr. Koh Shunjie, Kelvin, Dr. Koh Shuhui, Felicia, Heritas Helios Investments Pte. Ltd. and Dr. Ng Chin Siau (the “**Undertaking**”

**Shareholders**”) subscribe for the Rights Shares and the Excess Rights Shares pursuant to the Irrevocable Undertakings (the “**Minimum Subscription Scenario**”), the Company will issue 124,229,229 Rights Shares under the Rights Issue.

- 2.7 In the event of the Maximum Subscription Scenario, the Rights Issue will raise approximately S\$14.24 million and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.25 million, will amount to approximately S\$13.99 million. In the event of the Minimum Subscription Scenario, the Rights Issue will raise approximately S\$12.42 million and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.25 million, will amount to approximately S\$12.17 million.
- 2.8 Save as disclosed in this Announcement, all other terms of the Rights Issue announced by the Company in the Rights Issue Announcement remain unchanged.

### **3. UNDERTAKINGS**

Pursuant to Dr. Ng Chin Siau’s exercise of his 400,000 ESOS Options, Dr. Ng Chin Siau now has a direct interest in 8,400,092 Shares, representing approximately 1.35% of the Existing Share Capital. Dr. Ng Chin Siau has provided a revised irrevocable undertaking on 24 September 2014 in favour of the Company that he will subscribe and pay for, and/or procure the subscription and payment for, his *pro rata* entitlement of 1,680,018 Rights Shares and up to 38,690,583 Excess Rights Shares (subject to availability) under the Rights Issue, provided that in the event that the Company receives, on or before submission of its additional listing application for the listing and quotation of the Rights Shares to the SGX-ST any further undertaking from any other Shareholders to accept their *pro rata* entitlement of Rights Shares (“**Undertaking Rights Shares**”) under the Rights Issue, the number of Excess Rights Shares will be reduced by the number of Undertaking Rights Shares.

There are no changes to the Irrevocable Undertakings provided by Quan Min Holdings Pte. Ltd., Dr. Koh Shunjie, Kelvin, Dr. Koh Shuhui, Felicia and Heritas Helios Investments Pte. Ltd.

### **4. GENERAL**

An application will be made to the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST. Appropriate announcements will be made upon receipt of approval-in-principle from the SGX-ST as well as the lodgement of the Offer Information Statement.

### **5. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

**BY ORDER OF THE BOARD  
Q & M DENTAL GROUP (SINGAPORE) LIMITED**

Dr. Ng Chin Siau  
Group Chief Executive Officer  
29 September 2014