



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number 200800507R)
(Incorporated in the Republic of Singapore)

UPDATE ON Q & M DENTAL GROUP (MALAYSIA) SDN BHD

1. INTRODUCTION

The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") refers to its announcement made on 4 April 2013 where its wholly owned subsidiary, Q & M Dental Group (Malaysia) Sdn Bhd ("**QDGM**") incorporated a subsidiary in Malaysia under the name of Q & M Dental Surgery (Bandar Puteri Puchong) Sdn Bhd ("**QMP**") and to its announcement made on 11 March 2012 and 8 July 2013 regarding the acquisition of AR Dental Supplies Sdn Bhd ("**AR Dental**") (collectively, the "**Previous Announcements**").

Unless otherwise defined herein, capitalised terms in this Announcement shall have the same meaning given to them in the Previous Announcements.

The Board wishes to announce the following information to the Shareholders.

2. ACQUISITION OF SHARES IN SUBSIDIARY

- 2.1 QDGM has increased its equity stake in the subsidiary known as QMP from 80% to 100% after the acquisition of the other existing shareholder's 20% shareholdings for a total cash consideration of Malaysian Ringgit ("RM") 1 on 28 November 2014.
- 2.2 QMP has a negative net asset value based on the unaudited financial statements of QMP as at 31 October 2014.
- 2.3 The acquisition of QMP is not expected to have a material effect on the earnings of the Group for the current financial year ending 31 December 2014.
- 2.4 Following the completion of the acquisition of shares, QMP has become a wholly-owned subsidiary of the Company.

3. UPDATE ON AR DENTAL

The initial terms of the profit guarantee given by the Current Shareholders were for RM 2 million per year for 4 years. This has been amended to RM 2.68 million for the first 2 years combined and RM 1.33 million each year for the subsequent 4 years of which QDGM shall receive 70% of the profit guarantee amount each year. The total profit guarantee amount remains unchanged.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholders have any interests, direct or indirect, in the aforesaid transaction, other than through each of their respective shareholding interests, direct and/or indirect (if any), in the Company.

On behalf of the Board

Dr Ng Chin Siau
Group Chief Executive Officer
9 December 2014