

OFFER INFORMATION STATEMENT DATED 19 NOVEMBER 2014

(Lodged with the Monetary Authority of Singapore on 19 November 2014)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

A copy of this offer information statement (the “**Offer Information Statement**”), together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”) have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Rights Shares on the Official List of the SGX-ST, subject to certain conditions, the details of which are set out in section entitled “**Trading**” of this Offer Information Statement. The Rights Shares will be admitted to the Official List of the SGX-ST and the official quotation is expected to commence after all conditions imposed by the SGX-ST are satisfied, all certificates relating thereto have been issued, and the notification letters from The Central Depository (Pte) Limited (the “**CDP**”) have been despatched.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed herein. Approval in-principle granted by the SGX-ST for admission to the Official List of the SGX-ST and the listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of Q & M Dental Group (Singapore) Limited (the “**Company**”), its subsidiaries, the Rights Issue (as defined herein) or the Rights Shares.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person (other than Entitled Shareholders (as defined herein) and their renounees and purchasers of the provisional allotments of Rights Shares) to whom these documents are despatched by the Company or for any other purpose. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer of the Rights Shares, and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement with the Authority.



Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE (“RIGHTS ISSUE”) OF UP TO 142,370,582 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Financial Adviser to the Company for the Rights Issue



IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	28 November 2014 at 5.00 p.m.
Last date and time for acceptance and payment*	:	4 December 2014 at 5.00 p.m.
Last date and time for renunciation and payment	:	4 December 2014 at 5.00 p.m.
Last date and time for Excess Application (as defined herein) and payment*	:	4 December 2014 at 5.00 p.m.

* The last date and time for acceptance and/or Excess Application and payment through an automated teller machine of a Participating Bank (as defined herein) is **4 December 2014** at 9.30 p.m.

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “**Definitions**” section of this Offer Information Statement.

For Entitled Depositors (which exclude Entitled Scripholders, CPFIS Shareholders and investors who hold Shares through finance companies or Depository Agents), acceptances of the Rights Shares and/or (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd).

For investors who hold Shares through finance companies or Depository Agents, the acceptances of their Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents, and in the case of CPFIS Shareholders, their respective approved CPF agent banks. Any application made directly to the CDP or through ATMs will be rejected.

For CPFIS Shareholders, acceptances of their Rights Shares and (if applicable) applications for Excess Rights Shares can only be made using, subject to applicable CPF rules and regulations, their CPF Funds. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds cannot, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of such Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

The existing Shares are quoted on the Official List of the SGX-ST.

Persons wishing to purchase or subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so purchase or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors, results of operations and performance and prospects of the Group, and the rights and liabilities attaching to the Rights Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors, results of operations and performance and prospects of the Group, as well as any bases and assumptions upon which financial projections, if any, relating to the Group are made or based, and their own appraisal and determination of the merits of investing in the Group. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional advisers before deciding whether to purchase or subscribe for the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Financial Adviser. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a

IMPORTANT NOTICE

continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via the SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Financial Adviser is making any representation in this Offer Information Statement to any person regarding the legality of an investment in the Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal, tax or other professional advice regarding an investment in the Rights Shares and/or the Shares.

The Financial Adviser makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person (other than Entitled Shareholders and their renounees and Purchasers) to whom these documents are despatched by the Company or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents, and the purchase or subscription for the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of these jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company and the Financial Adviser. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Announcement”	:	The announcement made by the Company on 30 June 2014 relating to the Rights Issue on SGXNET
“Announcement of Revised Number of Rights Shares”	:	The announcement made by the Company on 29 September 2014 relating to the increase in the number of Rights Shares on SGXNET
“Aoxin Consideration Shares”	:	Has the meaning given to it in paragraph 9(c) of Part IV of this Offer Information Statement
“ARE”	:	Application form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application form for Rights Shares to be issued to the Purchasers
“ATM”	:	Automated teller machine of a Participating Bank
“Authority” or “MAS”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company
“Books Closure Date”	:	5.00 p.m. on 17 November 2014, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
“Call Option Shares”	:	Has the meaning given to it in paragraph 9(c) of Part IV of this Offer Information Statement
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	(a) 5.00 p.m. on 4 December 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or Excess Application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 9.30 p.m. on 4 December 2014, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or Excess Application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Company”	:	Q & M Dental Group (Singapore) Limited

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“CPF”	:	Central Provident Fund
“CPF Funds”	:	The monies to the credit of the CPFIS Shareholders’ respective CPF Investment Account
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF approved bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue
“CPFIS”	:	CPF Investment Scheme
“CPFIS Shareholders”	:	Shareholders who had bought Shares under the CPFIS-Ordinary Account
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic applications at ATMs as set out in this Offer Information Statement or on the ATM screens
“Entitled Depositors”	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP, and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company were in Singapore as at the Books Closure Date or who had at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Excess Applications”	:	Applications for Excess Rights Shares
“Excess Rights Shares”	:	The Rights Shares represented by provisional allotments: (a) to: (i) Entitled Shareholders who decline, do not accept or elect not to renounce or sell their provisionally allotted Rights Shares during the Rights Trading Period prescribed by the SGX-ST; or (ii) Shareholders who are not entitled to participate in the Rights Issue which have not been sold during the Rights Trading Period; or

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	(b)	that have not been validly taken up by the original allottees, renounees of provisional allotments or Purchasers
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company (excluding treasury shares) of 648,852,913 Shares as at the Latest Practicable Date
“Financial Adviser”	:	Religare Capital Markets Corporate Finance Pte. Limited
“Foreign Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore at the time of purchase
“Foreign Shareholders”	:	Shareholders whose registered addresses with CDP or the Share Registrar were outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP (in the case of Depositors) or the Share Registrar (in the case of Scripholders), as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“Irrevocable Undertakings”	:	The irrevocable undertakings given by the Undertaking Shareholders to the Company and the Financial Adviser, details of which are set out in paragraph 1(f) of Part X of this Offer Information Statement
“Issue Price”	:	The issue price of the Rights Share, being S\$0.10 for each Rights Share
“Latest Practicable Date”	:	14 November 2014, being the latest practicable date prior to the date of lodgment of this Offer Information Statement
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Loan Conversion Shares”	:	Has the meaning given to it in paragraph 9(c) of Part IV of this Offer Information Statement
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Has the meaning given to it in paragraph 2 of Part IV of this Offer Information Statement
“Minimum Subscription Scenario”	:	Has the meaning given to it in paragraph 2 of Part IV of this Offer Information Statement
“NAV”	:	Net asset value

DEFINITIONS

“Offer Information Statement”	:	This offer information statement and, where the context admits, the PAL, the ARE, the ARS and all accompanying documents (where applicable) including any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
“PAL” or “Provisional Allotment Letter”	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited, and each, a “Participating Bank”
“PRC”	:	The People’s Republic of China
“Purchasers”	:	Persons purchasing the provisional allotment of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
“QDHC”	:	Q & M Dental Holdings (China) Pte. Ltd., a wholly-owned subsidiary of the Company
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights”	:	The “nil-paid” rights (evidenced by the provisional allotment of the Rights Shares)
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 142,370,582 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every five (5) Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Share(s)”	:	Up to 142,370,582 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Trading Period”	:	The trading period of the Rights on a “nil-paid” basis, commencing from 9.00 a.m., 20 November 2014 and ending at 5.00 p.m., 28 November 2014
“Scripholders”	:	Shareholders with Shares registered in their own names in the Register of Members
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent

DEFINITIONS

“Securities and Futures Act” or “SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGXNET”	:	A system network used by listed companies to send information and announcement to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholder(s)”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Share Transfer Books”	:	The register of transfers maintained by the Company
“SIC”	:	Securities Industry Council of Singapore
“Substantial Shareholder”	:	A person who has an interest of 5% or more of the total issued share capital of the Company
“Undertaking Shareholders”	:	Quan Min Holdings Pte. Ltd., Dr. Koh Shunjie, Kelvin, Dr. Koh Shuhui, Felicia, Heritas Helios Investments Pte. Ltd. and Dr. Ng Chin Siau
“Unit Share Market”	:	The unit share market of the SGX-ST which allows trading of securities in single units
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“US\$”	:	United States dollars, being the lawful currency of the United States of America
“RM” or “Ringgit Malaysia”	:	Ringgit Malaysia, being the lawful currency of Malaysia
“RMB” or “Renminbi”	:	Renminbi, being the lawful currency of the PRC
“%” or “per cent”	:	Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them in Section 130A of the Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

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Any reference to the time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and Excess Application and payment) shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Listing Manual, the Code or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Listing Manual, the Code or such statutory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to **“announcement”** of or by the Company in this Offer Information Statement includes announcements by the Company posted on the SGX-ST website at <http://www.sgx.com>.

EXPECTED TIMETABLE OF KEY EVENTS

<u>Events</u>	<u>Date</u>
Shares trade ex-rights	: 13 November 2014 from 9.00 a.m.
Books Closure Date	: 17 November 2014 at 5.00 p.m.
Lodgement of the Offer Information Statement with the Authority	: 19 November 2014
Despatch of the Offer Information Statement, AREs and PALs (as the case may be) to Entitled Shareholders	: 20 November 2014
Commencement of trading of “nil-paid” rights	: 20 November 2014 at 9.00 a.m.
Last date and time for splitting and trading of “nil-paid” rights	: 28 November 2014 at 5.00 p.m.
Last date and time for acceptance and payment for Rights Shares	: 4 December 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares by renounees	: 4 December 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for application and payment for Excess Rights Shares ⁽¹⁾	: 4 December 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date for issuance of Rights Shares	: 11 December 2014
Expected date for crediting of Rights Shares	: 12 December 2014
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	: 12 December 2014
Expected date and time for the listing and commencement of trading of Rights Shares	: 12 December 2014 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST (if required), modify the above timetable subject to any limitation under any applicable law. In such an event, the Company will publicly announce the same through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

Notes:

- (1) CPFIS Shareholders and investors who hold Shares through a finance company and/or Depository Agent, where applicable, will receive notification letter(s) from their respective CPF approved banks, finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies and/or Depository Agents. Applications made by these investors directly to CDP, the Share Registrar or through ATMs will be rejected.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the AREs or PALs, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive this Offer Information Statement and/or the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce, or in the case of Entitled Depositors only, trade on the SGX-ST during the Rights Trading Period prescribed by the SGX-ST their provisional allotments of the Rights Shares and are eligible to apply for Excess Rights Shares.

For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares.

All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP at 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, not later than three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach Q & M Dental Group (Singapore) Limited, c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00, Singapore 068898, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgment of the share certificates with CDP or such later date subject to the completion of the lodgment process.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with provisional allotments which are not taken up for whatever reasons, be aggregated and used to satisfy Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any allotments and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for Excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices A, B, and C** of this Offer Information Statement and in the PAL, the ARE and the ARS.

2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than Singapore where Shareholders may have their registered addresses, the Rights Issue is only made in Singapore and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside of Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue must register a Singapore mailing address with (i) CDP, or (ii) Q & M Dental Group (Singapore) Limited c/o the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00, Singapore 068898, not later than three (3) Market Days before the Books Closure Date.

This Offer Information Statement and its accompanying documents relating to the Rights Issue will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares and/or any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after the Rights Trading Period commences. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore via ordinary post to their mailing addresses as maintained with CDP or the Company, or in any such manner as they may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Financial Adviser, CDP, the CPF Board or the Share Registrar in connection therewith.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Financial Adviser, CDP, the CPF Board or the Share Registrar in respect of such sales or proceeds thereof or the provisional allotments of Rights Shares.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for the Rights Trading Period, the Rights Shares represented by such provisional allotments will be used to satisfy Excess Applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Financial Adviser, or CDP in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in those jurisdictions.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. Listing of and quotation for the Rights Shares

Approval in-principle has been obtained from the SGX-ST on 21 October 2014 for the listing of and quotation for up to 142,370,582 Rights Shares on the Official List of the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) submission of:
 - (i) a written undertaking from the Company that it will comply with Rules 704(30), 815, 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (ii) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Shares;
 - (iii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual; and
 - (iv) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the substantial shareholders who have given their irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued, will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares. All dealings in, and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangements for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for the Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("NRIC")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to

TRADING

them. Such physical share certificates, if issued, will be forwarded to them by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with the Share Registrar, he must inform the Share Registrar of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the Share Registrar.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. Rights Trading

Entitled Depositors who wish to trade all or part of their provisional allotment of their Rights Shares on the Official List of the SGX-ST can do so for the period commencing on 20 November 2014 from 9.00 a.m., being the date and time of commencement of the Rights Trading Period, and ending on 28 November 2014 at 5.00 p.m., being the last date and time of the Rights Trading Period.

4. Trading of odd lots

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the Rights Trading Period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 200 or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Trading Period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST.

Following the Rights Issue, Shareholders should note that they are able to trade odd lots of Shares in board lots of one (1) Share on the Unit Share Market of the SGX-ST.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases, public announcements and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking, such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of the Company, the Financial Adviser or any other person represents or warrants that the Group’s actual future results, performance or achievements will be as expected, expressed or implied in those statements.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Company and the Financial Adviser disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company may make an announcement via the SGXNET and, if required, lodge a supplementary or replacement document with the Authority, in the event, *inter alia*, it becomes aware of a new development, event or circumstance that has arisen since the lodgment of this Offer Information Statement with the Authority, but before the Closing Date and that is materially adverse from the point of view of an investor or is required to be disclosed by law and/or the SGX-ST. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the SIC, where:-

- (i) any person acquires whether by a series of transactions over a period of time or not, Shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights in the Company; or
- (ii) any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights in the Company,

such person must extend a mandatory take-over offer immediately to the Shareholders for the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have an obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotment of Rights Shares or the application for Excess Rights Shares, should consult the SIC and/or their professional advisers.

Rule 820(2) of the Listing Manual provides that the SGX-ST may permit an issuer to scale down a shareholder's application to subscribe for the rights issue to avoid placing such shareholder in a position of incurring a mandatory general offer obligation for the shares not already owned, controlled or agreed to be acquired by him pursuant to Rule 14 of the Code (the "**General Offer**"), as a result of other shareholders not taking their entitlements of the Rights Issue fully.

Accordingly, the Company may take all such necessary steps and actions after the close of the Rights Issue to scale down the applications of any Shareholder to subscribe for the Rights Issue (including any acceptance of rights entitlements and/or application for Excess Rights Shares), if required, to avoid placing such Shareholder in the position of incurring a General Offer obligation, as a result of other Shareholders not taking up their entitlements of the Rights Shares fully.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Directors	Address	Position
Mr. Narayanan Sreenivasan	86 Jalan Kuras Sembawang Hills Estate Singapore 577758	Non-Executive and Independent Chairman
Dr. Ng Chin Siau	45B Joon Hiang Road Singapore 545000	Group Chief Executive Officer
Dr. Ng Jet Wei	47 Hillview Avenue #08-02, Hillington Green Singapore 669614	Deputy Chief Executive Officer
Dr. Ang Ee Peng Raymond	1 Zehnder Road, #03-02 Singapore 117686	Chief Operating Officer
Mr. Ng Weng Sui Harry	2 Limau Grove Singapore 467804	Non-Executive and Independent Director
Professor Toh Chooi Gait	37 Jalan SS 19/4, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia	Non-Executive and Independent Director

Advisers

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.

Financial Adviser	:	Religare Capital Markets Corporate Finance Pte. Limited 80 Raffles Place #43-01 UOB Plaza 1 Singapore 048624
Underwriter	:	Not applicable. The Rights Issue is not underwritten.
Legal Adviser	:	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**
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Share Registrar and Share Transfer Office : **Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)**
80 Robinson Road, #02-00
Singapore 068898

Receiving Banker : **United Overseas Bank Limited**
80 Raffles Place
UOB Plaza
Singapore 048624

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of Allotment	:	One (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 129,770,582 Rights Shares
Issue Price	:	S\$0.10 for each Rights Share

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –

- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
-

Please refer to paragraphs 3 to 7 of this Part.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, the acceptance, splitting, renunciation and/or sale of the provisional allotments of Rights Shares and for the application for Excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices A, B, and C** to this Offer Information Statement and in the PAL, the ARE and the ARS.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST (if required), modify the timetable subject to any limitation under any applicable law. In such an event, the Company will publicly announce the same through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares are contained in **Appendices A, B, and C** to this Offer Information Statement and in the PAL, the ARE and the ARS.

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, Excess Rights Shares.

- 5. State, where applicable, the methods of and time limits for –**
- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of securities being offered in favour of subscribers or purchasers.**

The Rights Shares will be provisionally allotted to the Entitled Shareholders on or about 19 November 2014 by crediting the provisional allotments to the respective Securities Accounts of the Entitled Depositors maintained with CDP or through the despatch of the PALs to Entitled Scripholders.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and successful applications for Excess Rights Shares, if they fail to furnish a Securities Account number or furnish an incorrect or invalid Securities Account number in the relevant form comprised in the PAL, share certificates representing such number of Rights Shares will be despatched to such subscribers within ten (10) Market Days from the Closing Date, at their own risk, by ordinary post to their mailing addresses in Singapore maintained with the Share Registrar.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances of Rights Shares and successful applications for Excess Rights Shares, share certificates representing such number of Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Accounts.

Please refer to **Appendices A, B, and C** to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable. No pre-emptive rights are applicable to subscribe for or purchase the securities being offered.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
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Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date through an SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

Manner of Refund

When any of the acceptances of the Rights Shares and/or any of the Excess Applications is invalid or unsuccessful in full or in part, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be refunded to the relevant applicant without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) where the acceptance and/or application had been made by way of an Electronic Application, by crediting the relevant applicant's bank account with the relevant Participating Bank at his own risk, the receipt by such bank being a good discharge to the Company, the Financial Adviser and CDP of their obligations, if any, thereunder;
- (b) where the acceptance and/or application had been made through CDP, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to his mailing address in Singapore as maintained with CDP or the Company, or in such other manner as he may have agreed with CDP for the payment of any cash distributions, as the case may be; and/or
- (c) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to his mailing address in Singapore as maintained with the Share Registrar.

Further details of refunding excess amounts paid by applicants are contained in **Appendices A, B, and C** of this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV - KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 of this Part.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

In the Announcement of Revised Number of Rights Shares, there were two scenarios in respect of the number of Rights Shares, namely, the "Maximum Subscription Scenario" and the "Minimum Subscription Scenario", provided as below:

Maximum Subscription Scenario

Based on the share capital of the Company as at the date of the Announcement of Revised Number of Rights Shares of 621,146,157 Shares 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.

Minimum Subscription Scenario

Based on the share capital of the Company as at the date of the Announcement of Revised Number of Rights Shares of 621,146,157 Shares 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 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.

Update

The Company had on 21 October 2014 and 7 November 2014 announced the issuance and allotment of the Loan Conversion Shares and the Aoxin Consideration Shares, respectively. In addition, the Company had on 5 November 2014 announced that the extraordinary general meeting to obtain Shareholders' approval for the issuance of the Call Option Shares will be convened on 21 November 2014, which is after the Books Closure Date. **In view of these developments, there is now greater certainty as to the number of Rights Shares to be issued by the Company and the "Maximum Subscription Scenario" and the "Minimum Subscription Scenario" concepts are no longer relevant.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Based on the Existing Share Capital (which is after taking into consideration the issuance and allotment of the Loan Conversion Shares and the Aoxin Consideration Shares), the Company will issue up to 129,770,582 Rights Shares under the Rights Issue. The Rights Issue will raise approximately S\$12.98 million and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.25 million, will amount to approximately S\$12.73 million.

All of the net proceeds will go to the Company.

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- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses.**

Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue taking into consideration the intended use of proceeds.

The Company intends to use the net proceeds of the Rights Issue as set out below:

Use of Proceeds	Percentage of Net Proceeds
General corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, medical, distribution and manufacturing businesses of the Company and its subsidiaries. Please refer to paragraph 5 of this Part IV for further information	88%
General working capital purposes	12%

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.

The Company will make periodic announcements on the use of proceeds from the Rights Issue as and when the funds are materially disbursed, as well as provide status reports on the use of proceeds from the Rights Issue in the Company's annual report(s) until such time the proceeds have been fully utilised.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
-

Based on the intended use of the proceeds as described in paragraph 3 above, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended uses and to pay for professional fees and expenses incurred in connection with the Rights Issue are as follows:

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

For each dollar of gross proceeds raised	Amount
General corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, medical, distribution and manufacturing businesses of the Company and its subsidiaries. Please refer to paragraph 5 at the Part IV for further information	S\$0.8630
General working capital purposes	S\$0.1177
Professional fees and expenses incurred in connection with the Rights Issue	S\$0.0193

- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
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As disclosed in paragraph 3 above, the Company intends to use the net proceeds of the Rights Issue for general working capital purposes, to fund general corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, medical, distribution and manufacturing businesses of the Company and its subsidiaries. As at the Latest Practicable Date, a portion of the net proceeds will be used to fund the following projects:

- (a) on 7 July 2014, the Company announced (the “**Aoxin Completion Announcement**”) the completion of the acquisition of 60% stake in Aoxin Stomatology Group based in Shenyang, China. As mentioned in the Aoxin Completion Announcement, there is an estimated amount of RMB 26 million payable by the Company upon fulfilment of certain ancillary conditions of which the Company has already paid RMB 8 million. RMB 15 million (approximately S\$3 million) of the remaining RMB 18 million (approximately S\$3.6 million) will be satisfied from the net proceeds of the Rights Issue; and
- (b) on 13 August 2014, the Company announced (the “**Aidite Completion Announcement**”) that it has completed the acquisition of 100% of the share capital of Aidite High Technical Ceramic Co., Ltd. based in Qinhuangdao, China. As mentioned in paragraph 2.2(a) and 3 of the Aidite Completion Announcement, there is an amount of RMB 40.5 million (approximately S\$8.25 million) payable by the Company. This amount will be satisfied from the net proceeds of the Rights Issue.
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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
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As disclosed in paragraph 3 above, the Company intends to use the net proceeds of the Rights Issue for general working capital purposes, to fund general corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, medical, distribution and manufacturing businesses of the Company and its subsidiaries. Please refer to paragraph 5 of this Part IV for further information.

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7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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As disclosed in paragraph 3 above, the Company intends to use the net proceeds of the Rights Issue for general working capital purposes, to fund general corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, medical, distribution and manufacturing businesses of the Company and its subsidiaries. Please refer to paragraph 5 of this Part IV for further information.

8. **In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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Not applicable, because there are no underwriters or placement or selling agents involved in the Rights Issue.

Information on the Relevant Entity

9. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office)**
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Registered address and principal place of business : 81 Science Park Drive #02-04
The Chadwick
Singapore 118257

Telephone : (65) 6705 9888

Facsimile : (65) 6778 6781

- (b) **the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group**
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The Company was incorporated on 7 January 2008 in Singapore under the Companies Act as a private company limited by shares, converted into a public company limited by shares on 9 October 2009, and listed on the Mainboard of the SGX-ST on 26 November 2009.

The Group is a growing private dental healthcare group in Asia. Starting with its first clinic in Bukit Batok, Singapore in 1996, the Group has grown steadily over the past 17 years, mainly through organic expansion, to become, as at the Latest Practicable Date, the largest private dental healthcare group in Singapore. Over the last four years, the Group has also begun to build its presence in Malaysia and the PRC.

The Group has built an established brand through its reputation as a reliable provider of quality dental services. As at the Latest Practicable Date, the Group has 54 dental clinics strategically located island-wide, five dental centres, one mobile dental clinic, three medical outlets, one aesthetic centre and two specialist medical clinics in operations in Singapore. It also owns three

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dental supplies and equipment distribution companies in Singapore and Malaysia. The Group has a team of about 170 dentists, supported by about 300 clinic staff in Singapore, to provide quality service to its patient pool of more than 600,000 island-wide.

The Group is presently executing plans to expand its presence in the overseas markets. As at the Latest Practicable Date, the Group has invested in two dental healthcare groups in the PRC that operate four dental clinics, one dental centre and one mobile dental clinic in Beijing and Nanjing. It also operates one clinic in Shanghai. The Group has also recently completed the acquisition of three dental hospitals, three dental clinics and one training centre under the Aoxin Stomatology Group in Shenyang, PRC as well as the acquisition of Qinhuangdao Aidite High Technical Ceramic Co., Ltd, a dental supplies manufacturing company in Qinhuangdao, PRC. In addition, the Group also plans to acquire two dental hospitals in Donggang and Dandong cities and one hospital and one polyclinic in Rongcheng City.

In Malaysia, the Group currently operates four dental clinics in Kuala Lumpur, four dental clinics in Johor and one dental clinic in Malacca.

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
<i>Held by Company:</i>			
Q & M Dental Surgery (Admiralty) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Ang Mo Kio Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Braddell) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Bukit Batok) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Bukit Panjang) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Bukit Timah) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Clementi) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Clementi Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Hougang Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Punggol Medical & Dental Pte. Ltd.	Singapore	Investment holding company	50%
Q & M Dental Surgery (Hougang Plaza) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%

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Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
Q & M Dental Surgery (Jelapang) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Jurong East Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Kallang MRT) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Khatib) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Old Airport Rd) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Pasir Ris) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Sembawang) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Sembawang MRT) Pte. Ltd.	Singapore	Provision of dental healthcare services.	100%
Q & M Dental Surgery (Serangoon Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Serangoon North) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Sims Place) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Tiong Bahru) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Toa Payoh) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Toa Payoh Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Yishun Central) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Boon Lay) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Gombak) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Hougang Mall) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%

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Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
Q & M Dental Surgery (Serangoon) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Elias Mall) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Redhill MRT) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Laboratory & Marketing Pte. Ltd.	Singapore	Investment holding and provision of services related to the dental laboratory Business	100%
Q & M Dental Surgery (Marsiling) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Clinic Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Clementi) Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Gombak) Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Serangoon Central) Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Tiong Bahru) Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Toa Payoh) Pte. Ltd.	Singapore	Dormant	100%
Q & M Dental Clinic (Toa Payoh Central) Pte. Ltd.	Singapore	Dormant	100%
Q & M Management & Consultancy Pte. Ltd.	Singapore	Business and management consultancy services	100%
Q & M Dental Surgery (Boon Lay MRT) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Surgery (Gombak MRT) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Mobile Dental Clinic Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Killiney Dental Centre Pte. Ltd.	Singapore	Provision of dental healthcare services	100%

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Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
Q & M Dental Group (China) Pte. Ltd.	Singapore	Investment holding	99%
Q & M Dental Centre Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Institute Pte. Ltd.	Singapore	Conducting dental educational programs & seminars	100%
Q & M Dental Centre (Orchard) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Dental Group (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	100%
Q & M Dental Holdings (China) Pte. Ltd.	Singapore	Investment holding	100%
Dentigiene Dental Surgery Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Q & M Medical Group (Singapore) Pte. Ltd.	Singapore	Investment holding	100%
Q & M Dental Centre (Raffles Place) Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
Foo & Associates Pte. Ltd.	Singapore	Provision of dental healthcare services	100%
<i>Subsidiary held through Q & M Dental Holdings (China) Pte. Ltd.</i>			
Shanghai Q & M Investment Management & Consulting Co., Ltd.	PRC	Provision of consultancy services	100%
Shanghai Chuangyi Investment and Management Co., Ltd.	PRC	Investment holding and research and development	80%
Shanghai Kangyi Dental Polyclinic Co. Ltd.	PRC	Provision of dental healthcare services	80%
Shenyang Xin'ao Hospital Management Company Co., Ltd.	PRC	Management and consultancy services	60%
Shenyang Aoxin Quanmin Stomatology Hospital Co., Ltd.	PRC	Provision of specialised and general dental services, provision of management and consultancy services	60%

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Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
Shenyang Heping Quanmin Aoxin Stomatology Polyclinic Co., Ltd.	PRC	Provision of specialised and general dental services	60%
Huludao City Aoxin Stomatology Polyclinic Co., Ltd.	PRC	Provision of specialised and general dental services	60%
Huludao City Stomatology Hospital Co., Ltd.	PRC	Provision of specialised and general dental services	60%
Q & M Dental (Shenyang) Pte. Ltd.	Singapore	Investment Holding	60%
Shenyang Quanxin Medical Equipment Leasing Co., Ltd.	PRC	Equipment leasing and provision of consultancy services	60%
Q & M Aidite International Pte. Ltd.	Singapore	Manufacturing and trading of medical and dental tools, instruments and supplies	100%
Qinhuangdao Aidite High Technical Ceramic Co., Ltd.	PRC	Manufacturing and trading of medical and dental tools, instruments and supplies	100%
<i><u>Subsidiary held through Q & M Laboratory & Marketing Pte. Ltd.</u></i>			
Dentmedix Pte. Ltd.	Singapore	Trading of dental surgery materials and equipment	100%
Quantumleap Healthcare Pte. Ltd.	Singapore	Trading of dental surgery materials and equipment	100%
<i><u>Subsidiary held through Q & M Dental Group (China) Pte. Ltd.</u></i>			
Q & M Dental Laboratory (Zhejiang) Pte. Ltd.	Singapore	Dormant	99%
Q & M Dental (Shanghai) Pte. Ltd.	Singapore	Management and consultancy services and Investment Holding	50%
Q & M Dental (Beijing) Pte. Ltd.	Singapore	Management and consultancy services and Investment Holding	30%
<i><u>Subsidiary held through Q & M Medical Group (Singapore) Pte. Ltd.</u></i>			
Q & M Medical & Aesthetic Clinic (Tampines Central) Pte. Ltd.	Singapore	Provision of general medical services	100%

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Name of Subsidiary	Country of Incorporation	Principal Activities	Effective Interest held by the Group
Q & M Medical Aesthetic & Laser Centre Pte. Ltd.	Singapore	Provision of general medical services	100%
Q & M Medical & Aesthetic Clinic (Serangoon Garden) Pte. Ltd.	Singapore	Provision of general medical services	100%
Q & M Medical & Aesthetic Clinic (Farrer Park) Pte. Ltd.	Singapore	Provision of general medical services	100%
Q & M Medical Clinic (Raffles Place) Pte. Ltd.	Singapore	Provision of general medical services	100%
The Digestive & Liver Specialist Centre Pte. Ltd.	Singapore	Provision of specialised and general medical services	100%
The Lung Specialist Centre Pte. Ltd.	Singapore	Provision of specialised and general medical services	100%
Q & M Medical & Aesthetic Clinic (Serangoon Central) Pte. Ltd.	Singapore	Provision of specialised and general medical services	100%
<i>Subsidiary held through Q & M Dental Group (Malaysia) Sdn. Bhd.</i>			
Q & M Dental Surgery (Molek) Sdn. Bhd.	Malaysia	Provision of dental healthcare services	70%
Q & M Dental Surgery (Austin) Sdn. Bhd.	Malaysia	Provision of dental healthcare services	70%
Q & M Dental Surgery (Kota Damansara) Sdn. Bhd.	Malaysia	Provision of dental healthcare services	80%
D & D Dental Sdn. Bhd.	Malaysia	Provision of dental healthcare services	70%
Q & M Dental Surgery (Bandar Puteri Puchong) Sdn. Bhd.	Malaysia	Provision of dental healthcare services	80%
AR Dental Supplies Sdn. Bhd.	Malaysia	Trading of dental surgery materials and equipment	70%
Ng Gk Dental Surgery (Melaka) Sdn. Bhd.	Malaysia	Provision of dental healthcare services	70%

- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**

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- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published
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The general development of the business of the Group in the three (3) most recent completed financial years up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the related announcements released by the Company via SGXNET for further details.

FY2011

(a) Opening of New Dental Centre by the Company's Joint Venture Partner

On 5 January 2011, the Company announced that its joint venture partner, Dan De dental group had opened a new dental centre in Nanjing city, the capital of Jiangsu Province in the PRC, on 2 January 2011.

The Group's joint venture company with Dan De dental group, Q & M Dental (Shanghai) Pte. Ltd., provided advice and expertise to Dan De dental group for the set-up of its first dental centre in Nanjing.

(b) Completion of Proposed Acquisition of Property at Sims Place

On 8 March 2011, the Company announced that its wholly-owned subsidiary, Q & M Dental Surgery (Sims Place) Pte Ltd, had completed the acquisition of the premises located at Block 53 Sims Place #01-158 Singapore 380053.

(c) Financing from International Finance Corporation

On 27 April 2011, the Company announced that it had entered into a loan agreement with International Finance Corporation ("IFC"), pursuant to which IFC shall make available to the Company a US\$15 million loan, which consists of (i) a US\$10 million term loan and (ii) a US\$5 million convertible loan which may be converted by IFC into new Shares in accordance with the terms and conditions of the loan agreement.

(d) Opening of New Dental Clinic at Taman Nusa Jaya, Johor, Malaysia

On 3 May 2011, the Company announced that the Group had opened and commenced operations of a new dental clinic in Taman Nusa Jaya in Johor, Malaysia, on 2 May 2011.

(e) Opening of New Clinic at Boon Lay MRT

On 18 May 2011, the Company announced that it had opened a new dental clinic in Boon Lay MRT on 16 May 2011.

(f) Appointment of Yuanta Securities Co., Ltd as Lead Underwriter for the Proposed Issuance of Taiwan Depository Receipts

On 24 May 2011, the Company announced that it was proposing to issue Taiwan Depository Receipts of up to US\$50 million on the Taiwan Stock Exchange and had appointed Yuanta Securities Co., Ltd as the lead underwriter for such issue. On 6 April 2013, the Company announced that the appointment of Yuanta Securities Co., Ltd had lapsed and that the Company will not be proceeding with the issuance of Taiwan Depository Receipts of up to US\$50 million on the Taiwan Stock Exchange.

(g) Joint Venture Relating to Beijing Le Le Jia Medical Solutions Co., Ltd

On 13 June 2011, the Company announced that Q & M Dental Group Holdings (China) Pte. Ltd., a 100% owned subsidiary of the Company, had on 13 June 2011 entered into a non-binding memorandum of understanding with the shareholders of Beijing Le Le Jia Medical Solutions Co., Ltd, Mr. Wang Jia Lei and Ms. Wang Jia Bei, in relation to a proposed joint venture which was to complement the Group's expansion plans of its dental healthcare business into the PRC.

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(h) Acquisition of 100% Shareholding in Quantumleap Healthcare Pte. Ltd.

On 22 June 2011, the Company announced that Q & M Laboratory & Marketing Pte. Ltd., a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Yau Geok Boey, for the acquisition of 100 issued ordinary shares, representing 100% of the issued and paid-up share capital of Quantumleap Healthcare Pte. Ltd., for a cash consideration of S\$50,000. On 28 June 2011, the Company announced that such acquisition had been completed.

(i) Opening of New Clinic at Marine Parade

On 2 August 2011, the Company announced that it had opened a new dental clinic in Marine Parade on 1 August 2011.

(j) Joint Venture Relating to Shanxi Meiyuan Medical Technology Co., Ltd

On 10 August 2011, the Company announced that QDHC had on 9 August 2011 entered into a non-binding letter of intent with Shanxi Meiyuan Medical Technology Co., Ltd in relation to a proposed joint venture which was to complement the Group's expansion plans of its dental healthcare business into the PRC.

(k) Expansion of Dental Clinic Network in Singapore

On 10 October 2011, the Company announced that it had opened three new dental clinics. The Group commenced operations of (i) a new dental clinic in the River Valley area on 28 September 2011, (ii) its second outlet in Bukit Batok on 7 October 2011 and (iii) its first clinic in the Holland Village area on 8 October 2011.

(l) Joint Venture Relating to Shanghai Chuangyi Investment & Management Co., Ltd

On 8 November 2011, the Company announced that as part of the Group's expansion plans of its dental healthcare business into PRC, QDHC had on 7 November 2011 entered into a binding memorandum of understanding with Mr. Wu Jian and Mr. Wu Jun relating to a proposed joint venture in respect of Shanghai Chuangyi Investment and Management Co., Ltd.

FY2012

(a) Proposed Acquisition of Dental Practice in Kuala Lumpur, Malaysia

On 18 January 2012, the Company announced that Q & M Dental Group (Malaysia) Sdn Bhd, a wholly owned subsidiary of the Company, had on 18 January 2012 entered into a binding memorandum of understanding with Dr. Rueben Axel How Wee Ming to acquire 80% of the issued and paid-up capital in a new company to be set up by Dr. Rueben Axel How Wee Ming, for a consideration of RM420,000.

(b) Proposed Share Split of Each Ordinary Share in the Capital of the Company into Two (2) Ordinary Shares

On 5 March 2012, the Company announced that it was proposing a subdivision of the share capital of the Company in such a manner so that each ordinary share in the capital of the Company is split into two (2) ordinary shares in the capital of the Company.

(c) Acquisition of Property Located at Block 450 Clementi Avenue 3, #01-283, Singapore 120450

On 6 March 2012, the Company announced that Q & M Dental Surgery (Clementi) Pte Ltd, a wholly owned subsidiary of the Company, had on 6 March 2012 completed the purchase of the premises located at Block 450 Clementi Avenue 3, #01-283, Singapore 120450 from Mr. Peck Ah Hook and Madam Peck Kong Hwee for a purchase consideration of S\$3,700,000.

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(d) Acquisition of Block 131 Jurong Gateway Road, #01-251, Singapore 600131

On 12 March 2012, the Company announced that Q & M Dental Surgery (Jurong East Central) Pte. Ltd., a wholly owned subsidiary of the Company, had on 9 March 2012, received a conditional option to purchase the premises located at Block 131 Jurong Gateway Road, #01-251, Singapore 600131 from Dr. Ng Chin Siau and Ms. Foo Siew Jiuan for a purchase consideration of S\$3,880,000. On 8 August 2012, the Company announced that such acquisition had been completed.

(e) Memorandum of Understanding with the National Taxi Association

On 23 March 2012, the Company announced that it had signed a memorandum of understanding with the National Taxi Association to provide affordable dental care to its members and their families for two years.

(f) Proposed Strategic Investment by Kunwu Jiuding Capital Co Ltd

On 13 August 2012, the Company announced that Q & M Dental Group Holdings (China) Pte. Ltd., a 100% owned subsidiary of the Company, together with Shanghai Q & M Investment Management & Consulting Co Ltd, a 100% owned subsidiary of Q & M Dental Group Holdings (China) Pte. Ltd., had on 13 August 2012 entered into a non-binding memorandum of understanding with Kunwu Jiuding Capital Co Ltd in relation to a proposed investment which was to complement the Group's expansion plans of its dental healthcare business into the PRC.

(g) Acquisition of 70% Shareholding in D & D Dental Sdn Bhd

On 12 September 2012, the Company announced that Q & M Dental Group (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company, had on 12 September 2012 entered into a conditional share sale and purchase agreement and ancillary agreements with Dr. Lee Chin Sze for the acquisition from Dr. Lee Chin Sze of shares representing 70% of the issued and paid-up share capital of D & D Dental Sdn Bhd for a cash consideration of RM840,000 (approximately S\$336,000). On 7 February 2013, the Company announced that such acquisition had been completed on 1 February 2013.

(h) Acquisition of 100% Shareholding in Dentigiene Dental Surgery Pte Ltd

On 1 October 2012, the Company announced that it had on 1 October 2012 entered into a conditional share sale agreement and ancillary agreements with Dr. Joanna Lim Jin Ling and Dr. Paul Timothy Sie Shin Min for the acquisition by the Company of an aggregate of 10,000 ordinary shares of S\$1.00 each in the capital of Dentigiene Dental Surgery Pte Ltd, representing 100% of Dentigiene Dental Surgery Pte Ltd's issued and paid-up share capital of S\$10,000 divided into 10,000 ordinary shares of S\$1.00 each, for a cash consideration of S\$500,000 plus additional consideration of up to S\$30,000 for the fixed assets of Dentigiene Dental Surgery Pte Ltd and further consideration of approximately S\$37,000 for the rental deposits of Dentigiene Dental Surgery Pte Ltd which would be confirmed and paid on review of the management accounts as at 30 September 2012. On 8 October 2012, the Company announced that such acquisition had been completed.

(i) Acquisition of 80% Shareholding in Shanghai Chuangyi Investment & Management Co., Ltd

On 26 November 2012, the Company announced that as a part of the Group's expansion plans of its dental healthcare business into the PRC, QDHC and its indirectly wholly owned subsidiary, Shanghai Yumin Investment & Management Co., Ltd, had on 26 November 2012 entered into a conditional sale and purchase agreement and ancillary agreements with Mr. Wu Jian and Mr. Wu Jun to acquire 80% of the shareholding in respect of Shanghai Chuangyi Investment & Management Co., Ltd for a total investment amount of RMB 9,520,000 (approximately S\$1.87 million) from Mr. Wu Jian and Mr. Wu Jun. Such acquisition was completed on 7 March 2013.

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(j) Proposed Acquisition of Ordinary Shares in The Capital of Singapore Medical Group Limited

On 27 December 2012, the Company announced that it had entered into a conditional sale and purchase agreement with Dr. Xiaoyan Baumann Geb. Bi. and Mr. Felix Huang Keming in relation to the sale by them and the purchase by the Company of an aggregate of 105,767,700 ordinary shares in the capital of Singapore Medical Group Limited, representing approximately 72.57% of all the issued ordinary shares in the capital of Singapore Medical Group Limited, for a cash consideration of S\$0.1323 for each share. On 9 May 2013, the Company announced that the parties had mutually agreed to terminate such sale and purchase agreement.

(k) Placement of 55,000,000 New Shares

On 27 December 2012, the Company announced that it had entered into a private placement agreement with Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia pursuant to which, the Company had agreed to allot and issue an aggregate of 55,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.305 for each share amounting to an aggregate cash consideration of S\$16,775,000. Such placement was completed on 17 January 2013.

FY2013

(a) Acquisition of 70% Shareholding in AR Dental Supplies Sdn Bhd

On 11 March 2013, the Company announced that Q & M Dental Group (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional share sale and purchase agreement and ancillary agreements with Tye Chee Wah, Chong Vooi Seong and Chan Sing Cheong for the acquisition from them of 141,400 ordinary shares of RM1.00 each in the capital of AR Dental Supplies Sdn Bhd, representing 70% of AR Dental Supplies Sdn Bhd's issued and paid-up share capital of RM202,000 divided into 202,000 ordinary shares of RM1.00 each, for a cash consideration of RM8,400,000 (approximately S\$3,360,000). On 8 July 2013, the Company announced that such acquisition had been completed on 5 July 2013.

(b) Proposed Acquisition of 100% Shareholding in Medsolutions Pte Ltd

On 2 April 2013, the Company announced that Q & M Medical Group (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company, had on 1 April 2013 entered into a conditional share sale agreement with Boey Mao Jie for the acquisition from Boey Mao Jie of 120,000 ordinary shares of S\$1.00 each in the capital of Medsolutions Pte Ltd, representing 100% of Medsolutions Pte Ltd's issued and paid-up share capital of S\$120,000, for a cash consideration of S\$80,000. Such acquisition was completed on 4 April 2013.

(c) Termination of Proposed Joint Venture Relating to Yi Wu He Cheng Dental Equipment Co., Ltd. (义乌和成牙科器材有限公司)

On 2 August 2010, the Company announced that, to complement the Group's expansion plans of its dental healthcare business into the PRC, Q & M Dental Group (China) Pte. Ltd. had on 30 July 2010 entered into a binding master agreement with Mr. Liu Gui Cheng and Yi Wu He Cheng Dental Equipment Co., Ltd. in relation to a proposed joint venture in respect of Yi Wu He Cheng Dental Equipment Co., Ltd.

On 6 April 2013, the Company announced that the parties would not be proceeding with the proposed joint venture.

(d) Sale of Block 450 Clementi Avenue 3 #01-283, Singapore 120450

On 23 May 2013, the Company announced that Q & M Dental Surgery (Clementi) Pte. Ltd., a wholly owned subsidiary of the Company, had on 20 May 2013 granted to K2HL Pte Ltd a conditional option to purchase the premises located at Block 450 Clementi Avenue 3, #01-283, Singapore 120450 for a consideration of S\$5,000,000. On 11 November 2013, the Company announced that such sale was completed on 5 November 2013.

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(e) Acquisition of a 60% Stake in the Dental Group Known as the Aoxin Stomatology Group

On 30 July 2013, the Company announced that QDHC had on 30 July 2013 entered into a non-binding memorandum of understanding with Dr. Yongxin Shao (“**Dr. Shao**”) to acquire a 60% stake in the dental businesses owned by Dr. Shao and located in Shenyang, PRC known as the Aoxin Stomatology Group (“**Aoxin**”), for a purchase consideration of RMB 108 million (approximately S\$21.6 million).

On 13 November 2013, the Company announced that (i) QDHC, (ii) Shanghai Q & M Investment and Management & Consulting Co., Ltd, a wholly-owned subsidiary of QDHC, (iii) Dr. Shao, and (iv) Health Field Enterprise Ltd had on 13 November 2013 entered into a master agreement setting out the key terms and conditions for the proposed acquisition and the ancillary documents to be executed by all parties.

On 3 December 2013, the Company announced that RMB 10 million of the purchase consideration shall be paid in Shares. On 12 February 2014, the Company announced that RMB 20 million of the purchase consideration, instead of RMB 10 million, shall be paid in Shares.

On 7 July 2014, the Company announced that the acquisition of Aoxin had been completed. The parties have also agreed that the Company shall withhold RMB 46 million (RMB 26 million in cash and RMB 20 million worth of Shares, approximately S\$9.2 million in total) out of the total consideration of RMB 108 million (approximately S\$21.6 million) subject to Aoxin fulfilling certain ancillary conditions.

On 7 November 2014, the Company announced that it had allotted and issued 8,615,847 Shares (“**Aoxin Consideration Shares**”) to Health Field Enterprise Ltd.

(f) Memorandum of Understanding for the Acquisition of a 60% Stake in Dental Hospitals Owned by Dr. Sun Zhizong

On 28 August 2013, the Company announced that QDHC had on 28 August 2013 entered into a non-binding memorandum of understanding with Dr. Sun Zhizong to acquire a 60% stake in the dental hospitals owned by Dr. Sun Zhizong and located in Donggang and Dandong cities in Liaoning Province, PRC, for a purchase consideration of RMB 30 million (approximately S\$6 million).

(g) Proposed Acquisition of Qinhuangdao Aidite High Technical Ceramic Co., Ltd

On 18 November 2013, the Company announced that QDHC had on 18 November 2013 entered into a non-binding memorandum of understanding with Mr. Li Hongwen and Mr. Li Bin (the “**Sellers**”) to acquire from them a 51% stake in the specialized dental materials manufacturer known Qinhuangdao Aidite High Technical Ceramic Co., Ltd (“**Aidite**”) and located in Qinhuangdao in Hebei Province, PRC for a total consideration of RMB 76.5 million (approximately S\$15.3 million).

On 24 February 2014, the Company announced that QDHC and the Sellers had on 22 February 2014 executed a binding master agreement, pursuant to which QDHC will acquire 100% of the shares in Aidite through a wholly-owned Singapore incorporated company at a consideration of (i) RMB 38 million (approximately S\$7.9 million) to be paid in cash to the Sellers, and (ii) RMB 42 million (approximately S\$8.75 million) to be injected as capital into Aidite for the expansion of Aidite.

On 18 March 2014, the Company announced that QDHC and the Sellers had on 17 March 2014 entered into a share transfer agreement, pursuant to which QDHC shall own 100% of the shares in Aidite through a wholly-owned Singapore-incorporated company, Q & M Aidite International Pte Ltd (“**QMA**”). In addition, each of the Sellers entered into a 12-year service agreement with QDHC and QMA. Pursuant to such service agreements, QDHC granted an

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option to each of the Sellers to buy 24.5% of the shareholding of QMA for a nominal fee as consideration for his service to QMA and QDHC. The option is exercisable within 5 years upon the satisfaction of, *inter alia*, the following conditions:

- (i) the Sellers having subscribed for RMB 10 million (approximately S\$2.08 million) worth of shares in the Company;
- (ii) the Sellers having performed all their obligations required to be performed under the master agreement (including the fulfilment of the profit guarantee amounts for the first year); and
- (iii) QMA having been legally registered as the sole shareholder of Aidite.

On 13 August 2014, the Company announced the completion of the acquisition of Aidite at the revised consideration of (i) RMB 39.5 million (approximately S\$8.03 million) paid in cash to the Sellers, and (ii) RMB 35 million (approximately S\$7.11 million) which shall be injected as capital into Aidite for the expansion of Aidite subject to the Sellers fulfilling certain ancillary conditions.

(h) Establishment of S\$200,000,000 Multicurrency Medium Term Note Programme

On 25 November 2013, the Company announced that it had established a S\$200,000,000 Multicurrency Medium Term Note Programme, under which the Company may issue notes from time to time. The Hongkong and Shanghai Banking Corporation Limited had been appointed by the Company as the sole arranger and dealer of the programme.

(i) Memorandum of Understanding for the Acquisition of a 51% Stake in Rongcheng City Shidao Meichen Hospital & Rongcheng City Meichen Stomatology Polyclinic

On 2 December 2013, the Company announced that QDHC had on 29 November 2013 entered into a non-binding memorandum of understanding to acquire (i) a 51% stake in the dental hospital known as Rongcheng City Shidao Meichen Hospital from Mr. Liu Yuguang and (ii) a 51% stake in the dental polyclinic known as Rongcheng City Meichen Stomatology Polyclinic from Ms. Wang Deping, both located in the city of Weihai, Shandong Province, PRC, for a consideration of RMB 17.85 million (approximately S\$3.57 million) which is to be paid in Shares.

1 January 2014 to the Latest Practicable Date

(a) Acquisition of Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600131

On 3 March 2014, the Company announced that, Q & M Dental Centre Pte Ltd, a wholly-owned subsidiary of the Company, had on 21 February 2014 exercised an option to purchase the premises located at Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600131 from United Overseas Bank Limited for a purchase consideration of S\$12,150,000. On 15 June 2014, the Company announced that such acquisition had been completed on 13 June 2014.

(b) Acquisition of 70% Shareholding in Ng Gk Dental Surgery (Melaka) Sdn Bhd

On 3 March 2014, the Company announced that Q & M Dental Group (Malaysia) Sdn Bhd, a wholly owned subsidiary of the Company, had on 1 March 2014 entered into a conditional share sale and purchase agreement and ancillary agreements with Dr. Ng Guat Kiat and Mr. Yew Kwong Chai for the acquisition from them of 70% of the shareholding in Ng Gk Dental Surgery (Melaka) Sdn Bhd for a cash consideration of RM490,000 (approximately S\$189,000). Such acquisition was completed on 8 April 2014.

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(c) Memorandum of Understanding for the Acquisition of a 60% Stake in Nanjing Sucoronal Dentistry Technique Center Owned by Zhang Haiquan

On 10 March 2014, the Company announced that QDHC had on 9 March 2014 entered into a non-binding memorandum of understanding with Mr. Zhang Haiquan to acquire a 60% stake in the Nanjing Sucoronal Dentistry Technique Center owned by Mr. Zhang Haiquan and located in Nanjing, PRC for a total consideration of RMB 21 million (approximately S\$4.375 million) which is to be paid in cash or Shares or partly in both.

(d) Proposed Acquisition of Foo & Associates Pte Ltd

As announced by the Company on 18 March 2014 and 8 April 2014, the Company had on 17 March 2014 entered into a share purchase agreement with Dr. Foo Mooh Thong to acquire from him 100% of the shareholding in Foo & Associates Pte Ltd for a total consideration of S\$5.5 million. Such consideration shall be paid by the allotment of Shares to Dr. Foo Mooh Thong.

The acquisition was completed on 16 July 2014 and 15,089,163 consideration Shares were issued to Dr. Foo Mooh Thong on 22 July 2014. The consideration Shares are subject to a 5-year moratorium period commencing from 22 July 2014.

(e) Change of Registered Office Address

On 31 March 2014, the Company announced that with effect from 31 March 2014, the address of the registered office of the Company will be changed to 81 Science Park Drive, #02-04 The Chadwick, Singapore Science Park 1, Singapore 118257.

(f) Disposal of Shanghai Meiya Mingxing Dental Polyclinic

On 5 May 2014, the Company announced that it had completed the disposal of its indirectly wholly-owned dental practice Shanghai Meiya Mingxing Dental Polyclinic to Ms. Wang Xiu Zhen for a consideration of RMB 1.55 million (approximately S\$310,000).

(g) Proposed Grant of Call Option to Heritas Helios Investments Pte. Ltd. and Partial Lifting of Moratorium in Respect of Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia

On 26 May 2014, the Company announced that it had on 24 May 2014 entered into a call option agreement with Heritas Helios Investments Pte. Ltd., pursuant to which the Company will grant to Heritas Helios Investments Pte. Ltd. a call option to subscribe for up to 63,000,000 new Shares (the "Call Option Shares").

Additionally, with effect from 26 May 2014, the Company had agreed to lift the moratorium in respect of (i) 5,040,000 Shares held by Dr. Koh Shunjie, Kelvin and (ii) 2,160,000 Shares held by Dr. Koh Shuhui, Felicia.

On 22 September 2014, the Company announced that it had on 22 September 2014 entered into a supplemental agreement with Heritas Helios Investments Pte. Ltd. in relation to the call option agreement dated 24 May 2014, pursuant to which the parties agreed that the minimum issue price and under certain limited circumstances, the number of Call Option Shares, will be subject to adjustments. The circumstances requiring adjustments are consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions.

On 28 October 2014, the Company announced that approval-in-principle had been obtained from the SGX-ST in respect of the dealing in, listing of and quotation for up to 63,000,000 Call Option Shares on the Official List of the SGX-ST. As announced by the Company on 5 November 2014, the extraordinary general meeting to obtain Shareholders' approval for the issuance of the Call Option Shares will be convened on 21 November 2014.

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(h) Extension of Moratorium in Respect of Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia

On 2 June 2014, the Company announced that in consideration of the partial lifting of moratorium in respect of (i) 5,040,000 Shares held by Dr. Koh Shunjie, Kelvin and (ii) 2,160,000 Shares held by Dr. Koh Shuhui, Felicia, the Company has extended the moratorium on the remaining 33,460,000 and 14,340,000 Shares held by Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia respectively to 15 January 2021. The moratorium on their Shares was due to expire on 31 December 2017.

(i) Termination of Memorandum of Understandings

On 7 July 2014, the Company announced that it had terminated the memorandum of understanding in respect of the following:

- (i) the binding memorandum of understanding entered into by Q & M Dental Group (China) Pte. Ltd., a subsidiary of the Company, with Mr. Peng Hui Chang, Mr. Peng Jian Chang and Mr. Guo Yu Chun in relation to a proposed joint venture in respect of Shenzhen New Perfect Exact Dental Research Co., Ltd, as announced by the Company on 18 October 2010;
- (ii) the binding memorandum of understanding entered into by the Q & M Dental Group (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company, with Dr. Rueben Axel How Wee Ming in relation to the proposed acquisition of a dental practice in Kuala Lumpur Malaysia, as announced by the Company on 18 January 2012; and
- (iii) the non-binding memorandum of understanding entered into by Q & M Dental Group Holdings (China) Pte. Ltd., Shanghai Q & M Investment Management Consulting Co., Ltd and Kunwu Jiuding Capital Co Ltd, in respect of a proposed strategic investment by Kunwu Jiuding Capital Co Ltd, as announced by the Company on 13 August 2012.

(j) Letter of Intent with Baihe Stomatology Hospital LLC

On 7 July 2014, the Company announced that QDHC had on 4 July 2014 entered into a non-binding letter of intent with Baihe Stomatology Hospital LLC based in Changchun, Jilin Province, China, in relation to the intent of both parties to mutually cooperate in the following areas:

- (i) discuss clinical techniques, financial, business and legal issues that will help promote Baihe Stomatology Hospital LLC's future development and expansion;
- (ii) explore models for exchanging knowledge of customer service excellence and management techniques; and
- (iii) provide a platform for conducting exchange programs to help further understand the market conditions in China and Singapore.

(k) Issue and Allotment of Shares Pursuant to Q & M Employee Share Option Scheme

On 23 July 2014, the Company announced that it had allotted and issued 604,000 Shares, at the exercise price of S\$0.435 each, pursuant to the exercise of options granted under the Q & M Employee Share Option Scheme.

(l) Receipt of Conversion Notice from IFC and issue and allotment of Loan Conversion Shares

On 29 July 2014, the Company announced that it had on 25 July 2014 received a conversion notice from IFC. Pursuant to such conversion notice, 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) will be converted into 19,090,909 new Shares (the "Loan Conversion Shares") at a conversion price of S\$0.33 per Loan Conversion Share.

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On 21 October 2014, the Company announced that it had allotted and issues 19,090,909 Loan Conversion Shares to IFC.

- (d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) **in the case of the equity capital, the issued capital; or**
- (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon**

As at the Latest Practicable Date, the Company's equity capital and loan capital are as follows:

- (i) Issued and paid-up share capital : S\$55,866,871 divided into 648,852,913 Shares (the Company has no treasury shares)
- (ii) Loan capital : Nil

(e) **where:**

- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date**

As at the Latest Practicable Date, based on the information in the Register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, the Substantial Shareholders of the Company and the number of Shares in which they have an interest are as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Quan Min Holdings Pte. Ltd. ⁽²⁾	338,654,608	52.19	-	-	338,654,608	52.19
Dr. Ng Chin Siau ⁽³⁾	8,400,092	1.29	338,654,608	52.19	347,054,700	53.49
Heritas Helios Investments Pte. Ltd. ⁽⁴⁾	60,545,300	9.33	-	-	60,545,300	9.33
Heritas Capital Management Pte. Ltd. ⁽⁵⁾	-	-	60,545,300	9.33	60,545,300	9.33
IMC Heritas Investments Ltd. ⁽⁶⁾	-	-	60,545,300	9.33	60,545,300	9.33
IMC Pan Asia Alliance Corporation ⁽⁷⁾	-	-	60,545,300	9.33	60,545,300	9.33
Koh Shunjie, Kelvin	33,460,000	5.16	-	-	33,460,000	5.16

Notes:

- (1) The percentage shareholding interest is computed based on the Existing Share Capital.
- (2) Quan Min Holdings Pte. Ltd. is an investment holding company incorporated in Singapore and is the Company's ultimate parent company.
- (3) Dr. Ng Chin Siau is deemed to have an interest in the Shares held by Quan Min Holdings Pte. Ltd. by virtue of his 43.94% direct shareholding in Quan Min Holdings Pte. Ltd.
- (4) Heritas Helios Investments Pte. Ltd. has been granted a call option to, subject to Shareholders' approval, subscribe for up to the 63,000,000 Call Option Shares. The extraordinary general meeting is scheduled to be convened on 21 November 2014.

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- (5) Heritas Capital Management Pte. Ltd. is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it is the investment manager of Heritas Helios Investments Pte. Ltd.
- (6) IMC Heritas Investments Ltd. is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it is the owner of the entire share capital of Heritas Helios Investments Pte. Ltd.
- (7) IMC Pan Asia Alliance Corporation is deemed to have an interest in the Shares held by Heritas Helios Investments Pte. Ltd. as it is the owner of the entire share capital of IMC Heritas Investments Ltd., which is in turn the owner of the entire share capital of Heritas Helios Investments Pte. Ltd.

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group**
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As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings (including those which are pending or known to be contemplated) which may have, or which have had in the twelve (12) months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
 - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests**
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On 23 July 2014, the Company allotted and issued 604,000 Shares at the exercise price of S\$0.435 per new Share for an aggregate amount of S\$262,740 pursuant to the exercise of options granted under the Q & M Employee Share Option Scheme.

On 21 October 2014, the Company allotted and issued 19,090,909 Shares 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) into 19,090,909 Shares at a conversion price of S\$0.33 per Share.

Save as disclosed above, no securities or equity interests of the Company have been issued for cash or services within the twelve (12) months immediately preceding the Latest Practicable Date.

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- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgment of this Offer Information Statement:

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- (a) the non-binding memorandum of understanding dated 13 August 2012 entered into between (i) Q & M Dental Group Holdings (China) Pte. Ltd., a 100% owned subsidiary of the Company, (ii) Shanghai Q & M Investment Management & Consulting Co., Ltd, a 100% owned subsidiary of Q & M Dental Group Holdings (China) Pte. Ltd. and (iii) Kunwu Jiuding Capital Co Ltd in relation to a proposed investment which was to complement the Group's expansion plans of its dental healthcare business into the PRC;
- (b) the conditional share sale and purchase agreement dated 12 September 2012 entered into between Q & M Dental Group (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company and Dr. Lee Chin Sze in relation to the acquisition by Q & M Dental Group (Malaysia) Sdn Bhd of shares representing 70% of the issued and paid-up share capital of D & D Dental Sdn Bhd for a cash consideration of RM840,000 (approximately S\$336,000);
- (c) the conditional share sale agreement dated 1 October 2012 entered into between the Company, Dr. Joanna Lim Jin Ling and Dr. Paul Timothy Sie Shin Min for the acquisition by the Company of an aggregate of 10,000 ordinary shares of S\$1.00 each in the capital of Dentigiene Dental Surgery Pte Ltd, representing 100% of Dentigiene Dental Surgery Pte Ltd's issued and paid-up share capital of S\$10,000 divided into 10,000 ordinary shares of S\$1.00 each, for a cash consideration of S\$500,000 plus additional consideration of up to S\$30,000 for the fixed assets of Dentigiene Dental Surgery Pte Ltd and further consideration of approximately S\$37,000 for the rental deposits of Dentigiene Dental Surgery Pte Ltd which would be confirmed and paid on review of the management accounts as at 30 September 2012;
- (d) the conditional sale and purchase agreement dated 26 November 2012 entered into by QDHC and its indirectly wholly owned subsidiary, Shanghai Yumin Investment & Management Co., Ltd, with Mr. Wu Jian and Mr. Wu Jun in relation to the acquisition of 80% of the shareholding in respect of Shanghai Chuangyi Investment & Management Co., Ltd for a total investment amount of RMB 9,520,000 (approximately S\$1.87 million) from Mr. Wu Jian and Mr. Wu Jun;
- (e) the conditional sale and purchase agreement dated 27 December 2012 entered into by the Company with Dr. Xiaoyan Baumann Geb. Bi. and Mr. Felix Huang Keming in relation to the sale by them and the purchase by the Company of an aggregate of 105,767,700 ordinary shares in the capital of Singapore Medical Group Limited, representing approximately 72.57% of all the issued ordinary shares in the capital of Singapore Medical Group Limited, for a cash consideration of S\$0.1323 for each share;
- (f) the private placement agreement dated 27 December 2012 entered into between the Company, Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia in relation to the allotment and issuance by the Company of an aggregate of 55,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.305 for each share amounting to an aggregate cash consideration of S\$16,775,000;
- (g) the conditional share sale and purchase agreement dated 11 March 2013 entered into by Q & M Dental Group (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company, with Tye Chee Wah, Chong Vooi Seong and Chan Sing Cheong for the acquisition from them of 141,400 ordinary shares of RM1.00 each in the capital of AR Dental Supplies Sdn Bhd, representing 70% of AR Dental Supplies Sdn Bhd's issued and paid-up share capital of RM202,000 divided into 202,000 ordinary shares of RM1.00 each, for a cash consideration of RM8,400,000 (approximately S\$3,360,000);
- (h) the conditional share sale agreement dated 1 April 2013 entered into by Q & M Medical Group (Singapore) Pte Ltd, a wholly-owned subsidiary of the Company, with Boey Mao Jie for the acquisition from Boey Mao Jie of 120,000 ordinary shares of S\$1.00 each in the capital of Medsolutions Pte Ltd, representing 100% of Medsolutions Pte Ltd's issued and paid-up share capital of S\$120,000, for a cash consideration of S\$80,000;

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- (i) the conditional option to purchase dated 20 May 2013 granted by Q & M Dental Surgery (Clementi) Pte. Ltd., a wholly owned subsidiary of the Company, to K2HL Pte Ltd in respect of the purchase of the premises located at Block 450 Clementi Avenue 3, #01-283, Singapore 120450 for a consideration of S\$5,000,000;
- (j) in relation to the acquisition of a 60% stake in the dental group known as the Aoxin Stomatology Group for a purchase consideration of RMB 108 million (approximately S\$21.6 million):
 - (i) the non-binding memorandum of understanding dated 30 July 2013 entered into between QDHC and Dr. Shao;
 - (ii) the master agreement dated 13 November 2013 entered into between (1) QDHC, (2) Shanghai Q & M Investment and Management & Consulting Co., Ltd, a wholly-owned subsidiary of QDHC, (3) Dr. Shao, and (4) Health Field Enterprise Ltd (collectively, the “Parties”), which sets out the key terms and conditions for the acquisition of Aoxin;
 - (iii) the supplemental agreement dated 3 December 2013 entered into between the Parties, pursuant to which the Parties agreed that the purchase consideration for the acquisition of Aoxin shall be by way of Shares and cash;
 - (iv) the sale and purchase agreement dated 3 December 2013 entered into between the Parties in relation to the shares of Health Field Enterprises Pte Ltd;
 - (v) the shareholders’ agreement dated 3 December 2013 entered into between the Parties in respect of Health Field Enterprises Pte Ltd;
 - (vi) the loan agreement dated 3 December 2013 entered into between the Parties;
 - (vii) the share charge agreement dated 3 December 2013 entered into between the Parties;
 - (viii) the trade mark license agreement dated 3 December 2013 entered into between the Parties;
 - (ix) the letter of undertakings dated 3 December 2013 entered into between the Parties;
 - (x) the supplemental sale and purchase agreement dated 12 February 2014 entered into between the Parties in relation to the sale and purchase agreement dated 3 December 2013, pursuant to which the Parties agreed that RMB 20 million of the purchase consideration, instead of RMB 10 million, shall be paid in Shares;
 - (xi) the share transfer agreement dated 12 February 2014 entered into between the Parties in relation to the shares of Shenyang Xin’ao Hospital Management Company Ltd;
 - (xii) the shareholders’ agreement dated 12 February 2014 entered into between the Parties in respect of Shenyang Xin’ao Hospital Management Company Ltd; and
 - (xiii) the letters of undertaking dated 12 February 2014 entered into between the Parties;
- (k) the non-binding memorandum of understanding dated 28 August 2013 entered into between QDHC and Dr. Sun Zhizong in relation to the acquisition of a 60% stake in the dental hospitals owned by Dr. Sun Zhizong and located in Donggang and Dandong cities in Liaoning Province, PRC, for a purchase consideration of RMB 30 million (approximately S\$6 million);

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- (l) in relation to the proposed acquisition of Qinhuangdao Aidite High Technical Ceramic Co., Ltd for a total consideration of RMB 76.5 million (approximately S\$15.3 million):
 - (i) the non-binding memorandum of understanding dated 18 November 2013 entered into between QDHC, Mr. Li Hongwen and Mr. Li Bin;
 - (ii) the binding master agreement dated 22 February 2014 entered into between QDHC, Mr. Li Hongwen and Mr. Li Bin, which sets out the key terms and conditions for the acquisition of Aidite; and
 - (iii) the share transfer agreement dated 17 March 2014 entered into between QDHC, Mr. Li Hongwen and Mr. Li Bin in relation to the shares of Aidite;
- (m) in relation to the S\$200,000,000 Multicurrency Medium Term Note Programme established by the Company on 25 November 2013:
 - (i) the programme agreement dated 25 November 2013 entered into between (1) the Company, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as arranger, and (3) The Hongkong and Shanghai Banking Corporation Limited, as dealer;
 - (ii) the trust deed dated 25 November 2013 entered into between (1) the Company, as issuer, and (2) HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”), as trustee;
 - (iii) the agency agreement dated 25 November 2013 entered into between (1) the Company, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as issuing and paying agent and (3) the Trustee, as trustee; and
 - (iv) the deed of covenant dated 25 November 2013 executed by the Company in relation to the notes;
- (n) the non-binding memorandum of understanding dated 29 November 2013 entered into between QDHC, Mr. Liu Yuguang and Ms. Wang Deping in relation to the acquisition by QDHC of (i) a 51% stake in the dental hospital known as Rongcheng City Shidao Meichen Hospital from Mr. Liu Yuguang and (ii) a 51% stake in the dental polyclinic known as Rongcheng City Meichen Stomatology Polyclinic from Ms. Wang Deping, both located in the city of Weihai, Shandong Province, PRC, for a consideration of RMB 17.85 million (approximately S\$3.57 million) which is to be paid in Shares;
- (o) the agreement dated 1 December 2013 entered into between the Company and Liaoning Medical University, pursuant to which the Company shall provide Liaoning Medical University with RMB 1.5 million over three years for the “Q&M Dental Group (Singapore) – Liaoning Medical University President Fund” that will be used to support and encourage new innovations and research by dental postgraduate students in Liaoning Medical University, fund dental students from low income families, defray costs of short term study trips to Singapore for outstanding students and for dental students to attend basic skills training;
- (p) the option to purchase dated 7 February 2014 granted by United Overseas Bank Limited to Q & M Dental Centre Pte Ltd, a wholly-owned subsidiary of the Company, in respect of the purchase of the premises located at Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600131 for a purchase consideration of S\$12,150,000;
- (q) the conditional share sale and purchase agreement dated 1 March 2014 entered into by Q & M Dental Group (Malaysia) Sdn Bhd, a wholly owned subsidiary of the Company, with Dr. Ng Guat Kiat and Mr. Yew Kwong Chai for the acquisition from them of 70% of the shareholding in Ng Gk Dental Surgery (Melaka) Sdn Bhd for a cash consideration of RM490,000 (approximately S\$189,000);

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- (r) non-binding memorandum of understanding dated 9 March 2014 entered into between QDHC and Mr. Zhang Haiquan in relation to the acquisition by QDHC of a 60% stake in the Nanjing Sucoronal Dentistry Technique Center owned by Mr. Zhang Haiquan and located in Nanjing, PRC for a total consideration of RMB 21 million (approximately S\$4.375 million) which is to be paid in cash or Shares or partly in both;
- (s) the share purchase agreement dated 17 March 2014 entered into between the Company and Dr. Foo Mooh Thong in relation to the acquisition by the Company of 100% of the shareholding in Foo & Associates Pte Ltd for a total consideration of S\$5.5 million which shall be paid by the allotment of Shares to Dr. Foo Mooh Thong;
- (t) the share transfer agreement dated 1 February 2014 entered into between the Company and Ms. Wang Xiu Zhen in relation to the disposal by the Company of its indirectly wholly-owned dental practice Shanghai Meiya Mingxing Dental Polyclinic to Ms. Wang Xiu Zhen for a consideration of RMB 1.55 million (approximately S\$310,000);
- (u) the loan agreement dated 7 May 2014 entered into between the Company and United Overseas Bank Limited in relation to a property loan for S\$11,700,000 over 20 years for the purchase of the premises located at Block 130 Jurong Gateway Road, #01-213, #01-215 and #01-217, Singapore 600131;
- (v) the loan agreement dated 7 May 2014 entered into between the Company and United Overseas Bank Limited in relation to a term loan for S\$15,000,000 over 3 years;
- (w) the call option agreement dated 24 May 2014 entered into between the Company and Heritas Helios Investments Pte. Ltd. in relation to the grant by the Company to Heritas Helios Investments Pte. Ltd. of a call option to subscribe for up to 63,000,000 Call Option Shares;
- (x) the non-binding letter of intent dated 4 July 2014 entered into between QDHC and Baihe Stomatology Hospital LLC in relation to the intent of both parties to mutually cooperate in the following areas:
 - (i) discuss clinical techniques, financial, business and legal issues that will help promote Baihe Stomatology Hospital LLC's future development and expansion;
 - (ii) explore models for exchanging knowledge of customer service excellence and management techniques; and
 - (iii) provide a platform for conducting exchange programs to help further understand the market conditions in China and Singapore;
- (y) the global non-competition agreement dated 13 August 2014 entered into between the Company and Mr. Li Hongwen and Mr. Li Bin, pursuant to which Mr. Li Hongwen and Mr. Li Bin have undertaken, jointly and severally, for the duration of their 12-year service agreements (and for 2 years after the expiration of the service agreements), not to engage in, amongst others, competitive behaviour against the Company for a consideration of RMB 5.5 million (approximately S\$1.12 million); and
- (z) the supplemental agreement dated 22 September 2014 entered into between the Company and Heritas Helios Investments Pte. Ltd. in relation to the call option agreement referred to in paragraph (w) above.

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PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from–

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated income statements of the Group for FY2011, FY2012 and FY2013 and the unaudited consolidated income statements of the Group for the 9 months ended 30 September 2013 (“9M2013”) and the 9 months ended 30 September 2014 (“9M2014”) are as follows:

	Unaudited		Audited		
	9M2014	9M2013	FY2013	FY2012	FY2011
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue	68,214	49,834	71,154	57,044	47,761
Other Items of Income					
Interest Income	33	33	102	55	74
Other Credits	826	184	1,937	392	628
Other Items of Expense					
Consumables and Dental Supplies Used	(10,370)	(4,770)	(7,730)	(5,120)	(3,553)
Employee Benefits Expense	(38,491)	(31,236)	(43,897)	(35,836)	(30,480)
Depreciation Expense	(1,930)	(1,480)	(1,979)	(1,523)	(1,156)
Rental Expense	(6,147)	(5,036)	(6,905)	(5,618)	(4,691)
Finance Costs	(342)	(255)	(365)	(229)	(37)
Other Expenses	(4,878)	(3,421)	(5,224)	(3,856)	(3,437)
Other Charges	(302)	(100)	(250)	(47)	(42)
Share of Profit/(Loss) from Equity – Accounted Associates	19	107	146	58	81
Profit Before Tax From Continuing Operations	6,632	3,860	6,989	5,320	5,148
Income Tax Expense	(563)	(319)	(486)	(274)	(565)
Profit From Continuing Operations, Net of Tax	6,069	3,541	6,503	5,046	4,583

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	Unaudited			Audited	
	9M2014	9M2013	FY2013	FY2012	FY2011
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Other Comprehensive Income:					
Exchange Differences on Translating Foreign Operation, Net of Tax	27	134	143	(13)	10
Other Comprehensive Income/(Loss) for the Period/Year, Net of Tax	27	134	143	(13)	10
Total Comprehensive Income for the Year	6,096	3,675	6,646	5,033	4,593
Profit Attributable to Owners of the Parent, Net of Tax	5,057	3,513	6,461	5,001	4,581
Profit Attributable to Non-Controlling Interests, Net of Tax	1,012	28	42	45	2
Profit Net of Tax	6,069	3,541	6,503	5,046	4,583
Total Comprehensive Income Attributable to Owners of the Parent	5,084	3,647	6,604	4,988	4,591
Total Comprehensive Income Attributable to Non-Controlling Interests	1,012	28	42	45	2
Total Comprehensive Income	6,096	3,675	6,646	5,033	4,593
	(cents)	(cents)	(cents)	(cents)	(cents)
Dividends per Share	0.41	0.64	1.30	0.68	1.35
Earnings per Share					
Basic – continuing operations	0.83	0.58	1.07	0.91	1.66⁽¹⁾
Diluted – continuing operations	0.81	0.57	1.07	0.91	1.66⁽¹⁾
Earnings per Share after adjusting for Rights Issue⁽²⁾					
Basic – continuing operations	0.68	0.48	0.88	0.74	1.13
Diluted – continuing operations ⁽³⁾	0.67	0.47	0.88	0.74	1.13

Notes:

- (1) The figures are based on the share capital before each ordinary share in the capital of the Company is split into two (2) ordinary shares in the capital of the Company on 9 May 2012.
- (2) The basic and diluted earnings per Share as adjusted for the Rights Issue are computed based on the weighted average number of Shares in issue during the respective financial years and periods and assuming that:
 - (i) 129,770,582 Rights Shares are issued;
 - (ii) the Rights Issue was completed at the beginning at each of the respective financial years and do not take into account the effect of the use of the net proceeds on the earnings of the Group; and
 - (iii) no adjustment has been made for any change in the weighted average number of Shares in issue during the respective financial years.
- (3) Diluted earnings per Share calculations do not take into account Heritas Helios Investments Pte. Ltd.'s call option to subscribe for up to 63,000,000 Call Option Shares, which is subject to Shareholders' approval.

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2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

Please refer to Paragraph 1 of this Part.

3. In respect of –
- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
 - (b) any subsequent period for which interim financial statements have been published,
- provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development, which materially affected the profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FY2011, FY2012, FY2013 and 9M2014 is set out below:

FY2011 vs FY2010

Revenue

The Group's revenue for FY2011 increased 22% to S\$47.8 million, from S\$39.0 million for FY2010. The increase of S\$8.8 million was mainly attributed to higher revenue from existing dental clinics in Singapore, maiden contributions from new dental outlets in Singapore and in Malaysia, as well as the dental equipment and supplies distribution business in Singapore.

Revenue contribution from new dental clinics in Singapore and Malaysia amounted to S\$1.5 million. Increase in revenue contribution from existing dental clinics amounted to S\$6.4 million. Revenue contribution from the distribution business of dental equipment and supplies amounted to S\$0.9 million.

At the end of FY2011, the Group had a total of 46 dental clinics, three dental centres and one mobile dental clinic in operation in Singapore as compared to 40 dental clinics, two dental centres and one mobile dental clinic at the end of FY2010.

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Other Items of Income

Other credits in FY2011 amounted to S\$0.6 million, compared to S\$0.1 million in FY2010. The other credits of S\$0.6 million for FY2011 comprised recognition of negative goodwill arising from the acquisition of a subsidiary which amounted to S\$0.2 million, gain on disposal of a property which amounted to S\$0.2 million and the SME Cash Grant which amounted to S\$0.2 million.

Other Items of Expense

Consumables and Dental Supplies Used

Consumables and dental supplies in FY2011 increased 9% to S\$3.6 million from S\$3.2 million in FY2010. The increase was in line with the growth in the Group's revenue.

Employee Benefits Expenses

Employee benefits expenses in FY2011 increased by 26% to S\$30.5 million, from S\$24.1 million in FY2010. The increase was mainly due to increased headcount in administrative personnel and dental surgery assistants to support the Group's larger operations in Singapore, salary revisions, higher Central Provident Fund (CPF) employer contribution rate, higher foreign worker levy, as well as the inclusion of employee benefits expenses from the distribution business. Employee benefits expenses from the Group's dental operations in Malaysia were also consolidated into the Group's employee benefits expense in FY2011.

Depreciation Expense

Depreciation expense in FY2011 increased 47% to S\$1.2 million from S\$0.8 million in FY2010. The increase was mainly due to purchases of dental equipment, furniture, fixtures and fittings for existing and new dental outlets in Singapore. Depreciation expense in FY2011 also took into account the depreciation costs from the Group's dental operations in Malaysia.

Rental Expense

Rental expense increased 19% to S\$4.7 million from S\$4.0 million in FY2010. The increase was mainly due to an increase in the number of dental outlets in operations in Singapore and Malaysia.

Other Expenses

Other expenses in FY2011 increased by 30% to S\$3.4 million from S\$2.6 million in FY2010. The increase was mainly due to higher electronic payment transaction expenses, higher printing and stationery expenses, higher premises and equipment maintenance costs and higher utilities charges due to an increase in the number of dental outlets in operations in Singapore. The Group also incurred higher expenses in relation to its business expansion activities in the PRC amounting to S\$0.2 million.

Other Charges

Other charges in FY2011 increased to S\$42,000 mainly due to foreign exchange losses.

Share of Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of S\$0.1 million in FY2011 as compared to a loss of S\$28,000 in FY2010. These associate companies, namely Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd., are related to the Group's joint ventures with private dental healthcare groups in Beijing and Nanjing.

Profit Before Tax and Net Profit

As a result of the above factors, the Group recorded a profit before tax of S\$5.2 million for FY2011. This was an increase of 17% from S\$4.4 million in FY2010. After deducting provision for income tax expense of S\$0.15 million and deferred tax of S\$0.42 million, the Group's net profit in FY2011 rose 14% to S\$4.6 million from S\$4.0 million in FY2010.

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FY2012 vs FY2011

Revenue

Revenue from dental clinics for FY2012 increased 18% to S\$55 million, from S\$46.8 million for FY2011. The increase of S\$8.2 million was attributed to higher revenue from existing dental outlets, as well as contributions from new dental outlets in Singapore and in Malaysia.

The Group recorded revenue of S\$4.1 million from new dental outlets in Singapore. Existing dental outlets in Singapore and Malaysia contributed to incremental revenue of S\$4.1 million in FY2012.

At the end of FY2012, the Group had a total of 55 dental outlets in operations in Singapore, compared to 49 dental outlets in Singapore at the end of FY2011.

Revenue contribution from the dental equipment and supplies distribution business for FY2012 increased to S\$2 million from S\$1 million in FY2011. The increase of S\$1 million was due to the acquisition of the dental equipment distribution business in June 2011.

Other Items of Income

Other credits in FY2012 amounted to S\$392,000 compared to S\$628,000 in FY2011, and included the SME Cash Grant and the recognition of the profit guarantee from a joint venture partner of Q & M Dental (Shanghai) Pte. Ltd.

Other Items of Expense

Consumables and Dental Supplies Used

Consumables and dental supplies used in FY2012 increased by 22% to S\$3.6 million from S\$2.9 million in FY2011. The increase was mainly due to the increase in revenue and increase in purchase cost of consumables and dental supplies used in the dental outlets.

As a percentage of revenue from dental outlets, consumables and dental supplies used in the dental outlets in FY2012 was 6.5% compared to 6.3% in FY2011.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business rose to S\$1.5 million in FY2012 compared to S\$0.6 million in FY2011 mainly due to the acquisition of the dental equipment distribution business in June 2011.

Employee Benefits Expenses

Employee benefits expense in FY2012 rose 18% to S\$35.8 million, from S\$30.5 million in FY2011 which was in tandem with the growth in the Group's revenue. As a percentage of revenue, employee benefits expense in FY2012 was 62.8% compared to 63.8% in FY2011.

Depreciation Expense

Depreciation expense in FY2012 increased by 32% to S\$1.5 million from S\$1.2 million in FY2011. The increase of S\$0.3 million was mainly due to the purchase of dental equipment, furniture, fixtures and fittings for new and existing dental outlets in Singapore and Malaysia. As a percentage of revenue, depreciation expense in FY2012 was 2.7% compared to 2.4% in FY2011.

Rental Expense

Rental expense in FY2012 increased by 20% to S\$5.6 million from S\$4.7 million in FY2011. The increase of S\$0.9 million was due mainly to an increase in the number of dental outlets in Singapore and Malaysia. As a percentage of revenue, rental expense in FY2012 and FY2011 were at 9.8%.

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Other Expenses

Other expenses in FY2012 increased by 12% to S\$3.9 million from S\$3.4 million in FY2011. The increase was in tandem with the growth in the Group's revenue and expenses incurred in relation to its business expansion activities in the PRC and Malaysia. As a percentage of revenue, other expenses in FY2012 was 6.8% compared to 7.2% in FY2011.

Finance Costs

Finance costs in FY2012 increased to S\$229,000 from S\$37,000 in FY2011 mainly due to the interest expense on the convertible loan from IFC.

Share of Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of S\$58,000 in FY2012 compared to S\$81,000 in FY2011. These associate companies, namely Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd., are related to the Group's joint ventures in the PRC.

Profit Before Tax and Net Profit

As a result of the above factors, the Group's profit before tax in FY2012 rose 3% to S\$5.3 million from S\$5.1 million in FY2011.

The provision for income tax expense in FY2012 was lower than FY2011 mainly due to higher Productivity Innovation Credit (PIC) grants in FY2012. After deducting provision for income tax of S\$274,000, the Group's net profit in FY2012 increased 10% to S\$5 million from S\$4.6 million in FY2011.

FY2013 vs FY2012

Revenue

Revenue from dental and medical clinics for FY2013 increased 22% to S\$66.9 million, from S\$55 million for the previous corresponding year FY2012. The increase of S\$11.9 million was attributed to higher revenue from existing dental outlets, as well as contributions from new dental and medical outlets in Singapore and in Malaysia.

The Group recorded revenue of S\$3.8 million from new dental and medical outlets in Singapore. Existing dental outlets in Singapore and Malaysia contributed to incremental revenue of S\$8.1 million in FY2013.

At the end of FY2013, the Group had a total of 56 dental outlets, 1 mobile dental clinic, 4 medical outlets, 1 aesthetic centre and 2 specialist medical clinics in operations, compared to 55 dental outlets and 1 mobile dental clinic at the end of FY2012 in Singapore.

Revenue contribution from the dental equipment and supplies distribution business for FY2013 increased to S\$4.2 million from S\$2 million in FY2012. The increase of S\$2.2 million was mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Other Items of Income

Other credits in FY2013 amounted to S\$2 million compared to S\$392,000 in FY2012. Other credits in FY2013 were mainly due to the recognition of gain on disposal of Clementi property, enhanced special employment credit and profit guarantee from Q & M Dental (Shanghai) Pte. Ltd. and AR Dental Supplies Sdn. Bhd.

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Other Items of Expense

Consumables and Supplies Used in Dental and Medical Clinics

Consumables and dental supplies used in FY2013 increased by 32% to S\$4.8 million from S\$3.6 million in FY2012. The increase was due to an increase in number of patients, increase in cost of purchase and dental laboratory expenses, and purchases related to the new medical outlets in Singapore.

As a percentage of revenue from dental and medical outlets, consumables and supplies used in the dental and medical outlets in FY2013 was 7.1% compared to 6.5% in FY2012.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business rose to S\$3 million in FY2013 compared to S\$1.5 million in FY2012 mainly due to the increase in revenue from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Employee Benefits Expense

Employee benefits expense in FY2013 rose 22% to S\$43.9 million, from S\$35.8 million in FY2012 which was mainly due to salary revision for dental staff and increase in headcount to support more dental outlets in Singapore and Malaysia, new medical clinics, aesthetic centre and specialist clinics as well as the increased in headcount from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

As a percentage of revenue, employee benefits expense in FY2013 was 61.7% compared to 62.8% in FY2012.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses in FY2013 increased by 30% to S\$2 million from S\$1.5 million in FY2012. The increase of S\$0.5 million was mainly due to purchase of dental equipment, furniture, fixtures and fittings for new and existing dental outlets in Singapore and Malaysia, and new medical outlets in Singapore.

As a percentage of revenue, depreciation expense in FY2013 was 2.8% compared to 2.7% in FY2012.

Rental Expense

Rental expense in FY2013 increased by 23% to S\$6.9 million from S\$5.6 million in FY2012. The increase of S\$1.3 million was mainly due to an increase in the number of dental, medical, aesthetic and specialist outlets in Singapore and dental outlets in Malaysia.

As a percentage of revenue, rental expense in FY2013 was 9.7% compared to 9.8% in FY2012.

Other Expenses

Other expenses in FY2013 increased by 35% to S\$5.2 million from S\$3.9 million in FY2012. The increase of S\$1.3 million was mainly due to an increase in marketing expenses for the business, professional consultancy services engaged, higher costs of maintenance with the increase in number of clinics, higher insurance costs, as well as expenses relating to the sale of Clementi property.

As a percentage of revenue, other expenses in FY2013 was 7.3% compared to 6.8% in FY2012.

Finance Costs

Finance costs in FY2013 increased to S\$365,000 from S\$229,000 in FY2012 were mainly due to the interest payable on the convertible loan from IFC.

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Share of Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of S\$146,000 in FY2013 compared to S\$58,000 in FY2012. These associate companies, namely Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd., are related to the Group's joint ventures in the PRC.

Profit Before Tax and Net Profit

As a result of the above factors, the Group's profit before tax in FY2013 rose 31% to S\$7 million from S\$5.3 million in FY2012.

The provision for income tax expense in FY2013 was higher than FY2012 because of increase of profit and under provision of tax expense of S\$98,000 relating to the prior year. After deducting provision for income tax of S\$486,000, the Group's net profit in FY2013 increased 29% to S\$6.5 million from S\$5 million in FY2012.

9M2014 vs 9M2013

Revenue

As at 30 September 2014, the Group had a total of 59 dental outlets, 1 mobile dental clinic, 3 medical outlets, 1 aesthetic centre and 2 specialist medical clinics in operations, compared to 54 dental outlets, 1 mobile dental clinic, 4 medical outlets and 1 aesthetic centre as at 30 September 2013 in Singapore.

For 9M2014, revenue from dental and medical outlets increased by 23% to S\$58.6 million, compared to S\$47.6 million in the previous corresponding period. The increase was attributed mainly to an expansion in the network of new dental and medical outlets in Singapore and the acquisition of Aoxin, a dental hospital group in PRC, in July 2014 and an increase in revenue from existing dental clinics in Singapore.

For 9M2014, revenue from the dental equipment and supplies distribution business increased to S\$7.1 million from S\$2.2 million in the corresponding period. This was due mainly to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

For 9M2014, revenue from the dental supplies manufacturing was S\$2.5 million. This was due mainly to the acquisition of Aidite, dental supplies manufacturing company in PRC, in August 2014.

Other Items of Expense

Consumables and Supplies Used in Dental & Medical Clinics

Comparing 9M2014 with 9M2013, consumables and supplies used increased by S\$1.3 million or 41%. The increase was mainly due to the increase of number of patients, increase in the cost of purchases, purchases related to the new dental and medical outlets in Singapore, in Malaysia and the acquisition of Axoin in July 2014.

Cost of Sales Dental Equipment and Supplies

Comparing 9M2014 with 9M2013, cost of sales from dental equipment and supplies distribution business increased by S\$3.6 million mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Cost of Dental Supplies Manufacturing

Cost of sales from the dental supplies manufacturing business for 9M2014 was due to the acquisition of Aidite in August 2014.

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Employee Benefits Expense

Comparing 9M2014 with 9M2013, employee benefit expense increased by S\$7.3 million or 23%. The increase was mainly due to increase in headcount to support more dental outlets in Singapore and Malaysia, new medical clinics and aesthetic centre as well as the increased in head count from the acquisition of Aoxin in July 2014 and Aidite in August 2014.

Depreciation and Amortisation Expense

Comparing 9M2014 with 9M2013, depreciation expense increased by S\$0.45 million or 30%. The increase was mainly due to purchase of dental equipment, furniture, fixtures and fittings for existing and new dental outlets in Singapore and Malaysia and the acquisition of Aoxin in July 2014 and Aidite in August 2014.

Rental Expense

Comparing 9M2014 with 9M2013, rental expense increased by S\$1.1 million or 22%. The increase was mainly due to an increase in the number of dental, medical and aesthetic outlets in Singapore, dental outlets and distribution business in Malaysia, and the acquisitions of Aoxin in July 2014 and Aidite in August 2014.

Other Expenses

Comparing 9M2014 with 9M2013, other expense increased by S\$1.5 million or 43%. The increase was mainly in tandem with the growth in Group dental revenue, dental equipment and supplies distribution business as well as the acquisitions of Aoxin in July 2014 and Aidite in August 2014.

Other Charges

Comparing 9M2014 with 9M2013, other charges increased by S\$0.2 million or 202%. The increase was mainly due to unrealised foreign exchange losses arising from the IFC US\$5 million convertible loan.

Finance Costs

Comparing 9M2014 with 9M2013, finance costs increased by S\$84,000 or 34%. The increase was mainly due to interest on additional short term bank loan and interest on property loan.

Share of (Loss)/Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of S\$19,000 for 9M2014 compared to S\$107,000 for 9M2013.

Profit Before Tax and Net Profit

As a result of the above factors the Group's profit before tax for 9M2014 was S\$6.6 million compared with S\$3.9 million for 9M2013. This increase of S\$2.7 million was due mainly to the acquisition of Aoxin in July 2014 and Aidite in August 2014.

After deducting provision for income tax expense of S\$563,000, the Group's net profits for 9M2014 was S\$6.1 million compared with S\$3.5 million for 9M2013.

For 9M2014, net profit after tax attributable to owners of the parent was S\$5.1 million compared with S\$3.5 million for 9M2013.

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Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

Selected Financial Position of the Group

The audited consolidated statements of financial position of the Group as at 31 December 2013 and the unaudited consolidated statements of financial position of the Group as at 30 September 2014 are set out below.

	Unaudited As at 30 September 2014 (S\$'000)	Audited As at 31 December 2013 (S\$'000)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	36,164	15,364
Investment in Associates	3,391	3,452
Intangible Assets	34,861	5,453
Other Receivables	537	342
Other Assets	649	949
Total Non-Current Assets	75,602	25,560
Current Assets		
Inventories	7,899	4,113
Trade and Other Receivables	15,184	7,737
Other Assets	2,820	1,475
Cash and Cash Equivalents	38,747	28,749
Total Current Assets	64,650	42,074
Total Assets	140,252	67,634
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share Capital	45,547	39,722
Retained Earnings	4,340	5,826
Other Reserves, Total	496	543
Equity, Attributable to Owners of the Parent, Total	50,383	46,091
Non-Controlling Interests	7,364	623
Total Equity	57,747	46,714

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	Unaudited As at 30 September 2014 (S\$'000)	Audited As at 31 December 2013 (S\$'000)
Non-Current Liabilities		
Provisions	353	350
Deferred Tax Liabilities	861	813
Other Financial Liabilities	29,815	8,699
Total Non-Current Liabilities	31,029	9,862
Current Liabilities		
Income Tax Payable	500	50
Trade and Other Payables	36,274	10,777
Other Financial Liabilities	14,702	231
Total Current Liabilities	51,476	11,058
Total Liabilities	82,505	20,920
Total Equity and Liabilities	140,252	67,634

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

	Unaudited As at 30 September 2014 (S\$'000)	Audited As at 31 December 2013 (S\$'000)
NAV before the Rights Issue	57,747	46,714
Add: Proceeds from Rights Issue	12,977 ⁽¹⁾	12,977 ⁽¹⁾
Adjusted NAV after the Rights Issue	70,724	59,691
Before the Rights Issue		
Total number of Shares	648,852,913 ⁽²⁾	648,852,913 ⁽²⁾
NAV per Share (cents)	8.90	7.20
Immediately after the Rights Issue		
Total number of Shares	778,623,495 ⁽¹⁾	778,623,495 ⁽¹⁾
Adjusted NAV per Share (cents)	9.08	7.67

Notes:

- (1) Adjusted for 129,770,582 Rights Shares and estimated proceeds raised from the Rights Issue of S\$12.98 million

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(2) Based on the Existing Share Capital of 648,852,913 Shares as at the Latest Practicable Date

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of cash flows of the Group for FY2013 and the unaudited consolidated statement of cash flows for the first quarter ended 31 March 2014 (“1Q2014”), the second quarter ended 30 June 2014 (“2Q2014”) and the third quarter ended 30 September 2014 (“3Q2014”) are set out below:

	3Q2014	2Q2014	1Q2014	FY2013
	\$'000	\$'000	\$'000	\$'000
<u>Cash Flows from Operating Activities</u>				
Profit Before Tax	3,650	1,334	1,648	6,989
Adjustments for:				
Interest Income	(9)	(7)	(17)	(102)
Interest Expense	183	69	90	365
Loss/(Gain) on Disposal of Plant and Equipment, net	3	(21)	1	(1,255)
Gain on Disposal of Subsidiary	-	(125)	-	-
Plant and Equipment Written Off	-	9	-	-
Depreciation of Property, Plant and Equipment and Amortisation Expense	838	561	531	1,979
Provision	(9)	-	12	(9)
Foreign Currency Translation Adjustments	279	24	(33)	256
Share of Loss/(Profit) of Associates	13	(40)	8	(146)
Share Option Expense	3	-	2	17
Operating Cash Flows Before Changes in Working Capital	4,951	1,804	2,242	8,094
Inventories	(1,086)	(650)	69	(750)
Trade and Other Receivables	(2,455)	57	(1,965)	(2,346)
Other Assets	(421)	(167)	(5)	(273)
Trade and Other Payables	3,131	304	(1,564)	(103)
Net Cash Flows from Operating Activities Before Interest and Tax	4,120	1,348	(1,223)	4,622
Income Taxes Refund/(Paid)	45	(154)	(201)	(487)
Net Cash Flows from Operating Activities	4,165	1,194	(1,424)	4,135
<u>Cash Flows Used in Investing Activities</u>				
Purchase of Property, Plant and Equipment	(1,328)	(12,360)	(491)	(3,350)
Sale Proceeds from Disposal of Plant and Equipment	2	119	2	5,123
Sale Proceeds from Disposal of Subsidiary	-	146	-	-
Deposit for Proposed Acquisition in PRC	-	(1,588)	(6,288)	-
Deposit for Proposed Acquisition of Property	-	-	(1,192)	-
Other Assets	81	170	(79)	(504)
Trade and Other Receivables	383	(23)	165	284

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	3Q2014	2Q2014	1Q2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Other Receivables, Non-Current	(61)	23	(157)	238
Interest Received	9	7	17	102
Acquisition of Subsidiary (Net of Cash Acquired)	(11,937)	(159)	-	(5,443)
Contribution by Non-Controlling Interest	-	8	-	-
Net Cash Flows Used in Investing Activities	(12,851)	(13,657)	(8,023)	(3,550)
Cash Flows From Financing Activities				
Finance Lease Repayment	(7)	(6)	(8)	(375)
Advances from Undertaking of Rights Issue Exercise	11,758	-	-	-
Exercise of Shares Option	263	-	-	-
Proceeds from Placement of Shares	-	-	-	16,775
Repayment of Bank Loans	(161)	(47)	(71)	(288)
Interest Paid	(164)	(30)	(90)	(290)
Dividends Paid to Equity Owners	(2,547)	(3,996)	-	(6,145)
Proceeds from Bank Loan	24,000	11,700	-	-
Net Cash Flows From Financing Activities	33,142	7,621	(169)	9,677
Net Increase/(Decrease) in Cash and Cash Equivalents	24,456	(4,842)	(9,616)	10,262
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	14,291	19,133	28,749	18,487
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	38,747	14,291	19,133	28,749

A review of the cash flow of the Group for FY2013, 1Q2014, 2Q2014 and 3Q2014 is set out below:

FY2013

The Group generated net cash flow from operating activities of S\$4.1 million in FY2013. This was mainly derived from the profit generated in FY2013 and after deducting the amount used for working capital.

Net cash used in investing activities in FY2013 amounted to S\$3.6 million, mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013 and disposal of Clementi property offset by purchase of plant and equipment for new dental, medical and specialist outlets.

Net cash from financing activities in FY2013 was S\$9.7 million, which arose mainly from placement of 55 million new Shares offset by dividend payment to shareholders.

Consequent to the above factors, the Group's cash and cash equivalents was S\$28.7 million as at 31 December 2013.

1Q2014

Net cash used in operating activities in 1Q2014 amounted to S\$1.4 million, mainly due to increase in trade and other receivables because of increase in credit sales, renovation deposits and tender deposit for new clinics as well as decrease in trade and other payables for reasons given above.

Net cash used in investing activities in 1Q2014 amounted to S\$8 million, mainly due to the deposit of S\$6.3 million which relates to the Group's investment in Aoxin as well as the S\$1.2 million deposit for the purchase of Jurong Gateway property.

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Consequent to the above factors, the Group's cash and cash equivalents was S\$19.1 million as at 31 March 2014.

2Q2014

The Group generated net cash flow from operating activities of S\$1.2 million in 2Q2014. This was derived from the profit generated in 2Q2014, and after deducting the amount used for working capital.

Net cash used in investing activities in 2Q2014 amounted to S\$13.7 million, mainly due to the purchase of Jurong Gateway property, plant and equipment for existing and new dental and medical outlets in Singapore.

Net cash from financing activities in 2Q2014 was S\$7.6 million, which arose mainly from drawdown of the bank loan of S\$11.7 million for Jurong Gateway property and after dividend payment of S\$4 million with respect to FY2013.

Consequent to the above factors, the Group's cash and cash equivalents was \$14.3 million as at 30 June 2014.

3Q2014

The Group generated net cash flow from operating activities of S\$4.1 million in 3Q2014. This was mainly derived from the profit generated in 3Q2014.

Net cash used in investing activities in 3Q2014 amounted to S\$12.9 million, mainly due to the acquisition of Aoxin, Aidite, dental clinics in Singapore and the purchase of plant and equipment for existing and new dental and medical outlets in Singapore.

Net cash from financing activities in 3Q2014 was S\$33.2 million, which arose mainly due to the drawdown of the bank loans and advance received from undertaking of right issue exercise offset by interim dividends payment of S\$2.5 million with respect to FY2014.

Consequent to the above factors, the Group's cash and cash equivalents was S\$38.7 million as at 30 September 2014.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable opinion that, barring unforeseen circumstances, and after taking into account the present banking facilities available to the Group, the Group's internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements.

- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide—**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**

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- (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
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To the best of the Directors' knowledge, as at the Latest Practicable Date, the Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Company's annual reports and in the announcements of the Company, and barring any unforeseen circumstances, the Directors are not aware of any trends, uncertainties, demands, commitments or events for the current financial year that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and Financial Prospects of the Group for the Current Financial Year

The Group intends to continue its strategy of expanding its presence in the fast-growing markets in Malaysia and the PRC which has contributed positively to the financial performance of the Group. The Group may also consider expanding into other countries as and when opportunities arise.

The completion of the Group's acquisition of Aoxin will enhance the Group's presence in North Eastern China. The completion of the Group's acquisition of Aidite will integrate and provide synergy to the various components of its dental business, from supplies manufacturing to supplies distribution and its dental clinics and centres.

The Group will continue to be prudent and proactive in seeking new business opportunities and will be actively managing its operating expenses to remain competitive.

Risk Factors

To the best of the Directors' knowledge and belief, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Rights Issue are set out below (save for those which have already been disclosed to the general public). Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to subscribe for the Rights Shares and/or invest in the Shares.

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The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or the Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and prospective investors may lose all or part of their investment in the Rights Shares and/or the Shares.

Risk Factors Relating to the Group's Business and Industry

The Group's business will be affected by any adverse impact on its reputation and its "Q & M" brand

Over the past years, the Group has established its reputation in the dental healthcare industry in Singapore as a provider of a wide range of quality and accessible dental healthcare services. The Group believes that it has built significant goodwill in its "Q & M" brand and thus customer loyalty. Hence, if there are any major lapses in its services such as malpractice or negligence by its dentists, oral health therapists or doctors, whether actual or perceived, or if there are other circumstances beyond its control that result in adverse publicity on it, its reputation will be affected and patients may lose confidence in its healthcare services as a whole. This may adversely affect the Group's revenue and hence, its business.

From time to time, the Group receives complaints from patients regarding the adequacy of patient care, treatment outcome and pricing. These complaints may result in reviews, investigations or disciplinary actions by the relevant regulatory and professional bodies and may affect the reputation of the relevant dentist, oral health therapist or doctor, and hence the reputation and financial performance of the Group. The Group's reputation may also be adversely affected by medical malpractice claims brought by patients against it and/or its dentists, oral health therapists or doctors. Please refer to the risk factor "*The Group may be subject to medical claims arising from medical negligence*".

Apart from facing investigations, disciplinary actions and legal claims, the Group's dentist, oral health therapists and doctors may also be fined and/or have their licences suspended or revoked in the event that the outcome of any such investigation or proceeding is not in their favour.

The Group is subject to laws, rules, regulations and licensing requirements governing the dental and medical healthcare industry

The Group is subject to laws, rules and regulations in Singapore, Malaysia and the PRC, among other things:

- the conduct of its operations;
- additions to facilities and services;
- the quality of dental and medical facilities, equipment and services;
- the purchase of medications and pharmaceutical drugs;
- the handling and disposal of bio-medical, radioactive and other hazardous waste;
- the qualifications of dental, medical and support personnel;
- the confidentiality and maintenance of, and security issues associated with, health-related information and dental/medical records; and

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- the screening, stabilisation and transfer of patients who have emergency conditions.

Safety, health and environmental laws and regulations in Singapore, Malaysia and the PRC are stringent and it is possible that they will become significantly more stringent in the future. If the Group is held (whether by courts or governmental agencies) to be in violation of such regulatory requirements, including conditions in the permits and licences required for its operations, it may have to pay fines, modify, suspend or discontinue its operations, incur additional operating costs or make capital expenditures. The Group's employees may also be faced with criminal charges in some instances. Any public interest or class action legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on the Group. Any such costs may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The renewal of the Group's licences in Singapore, Malaysia and the PRC is also subject to the Group's compliance with the relevant laws, rules and regulations. There is no assurance that all of the Group's licences will be renewed upon expiry. The failure to renew or the withdrawal of such licences as a result of non-compliance may have an adverse effect on the Group's operations and financial performance.

Regulatory approvals are required before the Group is able to market and sell its products in most major markets throughout the world. Future sales of the Group's products are subject to whether the Group will be able to obtain such regulatory approvals in the future. If the Group is unable to obtain such regulatory approvals, for any reason, in any one or more of the Group's target markets, the Group's business, financial condition and results of operations would be materially and adversely affected.

Changes to existing laws and regulations could also have a negative impact on the Group's operations. Should there be any subsequent modifications of, additions or new restrictions to the current compliance standards, the Group may incur additional costs to comply with the new or modified standards which may adversely affect the Group's profitability.

The Group is subject to laws, rules, regulations and licensing requirements in various jurisdictions in respect of its manufacturing business and distribution business

The Group currently carries on its manufacturing business in the PRC and distribution business from Singapore, Malaysia and the PRC to, inter alia, USA, Europe, Asia, Middle East, Australia, Eastern Europe and New Zealand. In each of these jurisdictions, the Group is subject to laws, rules and regulations in, among other things:

- the conduct of its operations;
- the manufacturing of its products;
- employment of manpower; and
- the quality of its products.

If the Group is held (whether by courts or governmental agencies) to be in violation of such regulatory requirements, including conditions in the permits and licences required for its operations, it may have to pay fines, modify, suspend or discontinue its operations, incur additional operating costs or make capital expenditures. The Group's employees may also be faced with criminal charges in some instances.

Regulatory approvals are required before the Group is able to market and sell its products in most major markets throughout the world. As at the Latest Practicable Date, the Group has the necessary approvals to conduct its manufacturing business and distribution business in the relevant jurisdictions. Future sales of the Group's products are subject to uncertainty with respect to

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whether the Group will ever obtain such regulatory approvals. If the Group is unable to obtain such regulatory approvals, for any reason, in any one or more of the Group's target markets, the Group's business, financial condition and results of operations would be materially and adversely affected.

Changes to existing laws and regulations could also have a negative impact on the Group's operations. Should there be any subsequent modifications of, additions or new restrictions to the current compliance standards, the Group may incur additional costs to comply with the new or modified standards which may adversely affect the Group's profitability.

In addition, inability to renew any existing distributorship agreement in respect of the Group's distributorship business (whether exclusive or not) may also adversely affect the Group's profitability.

The Group's business and reputation may be adversely affected if there are infringements of its intellectual property

The Group's ability to compete successfully is affected by its ability to protect its brand name, related marks and logos. Where possible, the Group has applied for the registration of trademarks which are material to its business.

Any infringements of the Group's intellectual property could adversely affect the perception of its patients and investors with regards to its credibility, creditworthiness and abilities. This may in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects. If the Group were to enforce its intellectual property rights through litigation, such litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources.

The Group's continued success is dependent on its key management personnel

The Group is dependent to a significant extent on the continued services of its founder and CEO, Dr. Ng Chin Siau, who has been instrumental in spearheading and implementing the Group's growth, corporate development and overall business strategies. The Group's success is also dependent on its executive directors, Dr. Ng Jet Wei and Dr. Ang Ee Peng Raymond, who are responsible for implementing the Group's business plans and driving its growth. These executive directors are supported by the Group's executive officers, dentists and key support staff. The Group's overseas operations are dependent on its management personnel overseeing the overseas projects and also to a significant extent on the overseas joint venture partners. There is no assurance that the Group will be able to retain the aforesaid key management personnel and dentists. The loss of any key management personnel without suitable or timely replacement will have an adverse impact on the Group's operations and financial performance.

The Group's inability to attract and retain adequate dentists or doctors in Singapore and the PRC may adversely affect its growth

The Group is highly dependent on its dentists and doctors. The Group's performance and execution of its growth strategy depends substantially on its ability to attract and retain leading dentists, doctors and other healthcare professionals in the fields and regions relevant to the Group's growth plans.

Most of the Group's dental centres and dental clinics and all of the Group's medical clinics are currently based in Singapore. Its expansion plans include the setting up of more dental and medical clinics and the acquisition of existing dental and medical clinics in Singapore. Its continued expansion may be hampered if it is unable to source for and/or employ sufficient dentists and doctors to staff these dental and medical clinics.

There has been a relatively tight supply of dentists and doctors in Singapore, and this is exacerbated by the stringent requirements put in place by the Singapore Dental Council (the "SDC") and the Singapore Medical Council (the "SMC") in respect of the registration of foreign dentists and doctors.

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Currently, only dentists with degrees from specified foreign universities in Australia, Canada, Hong Kong, New Zealand, the Republic of Ireland, the United Kingdom and the U.S. are able to apply directly to the SDC for Conditional Registration. Dentists with degrees from other universities will only be able to apply for Conditional Registration after having sat for and passed a qualifying exam. Dentists under Conditional Registration may apply for conversion to Full Registration after two years subject to the SDC's approval. The difference between Conditional Registration and Full Registration is that dentists under Conditional Registration are required to work under the supervision of a fully registered dentist approved by the SDC, while dentists under Full Registration are allowed to practise independently in Singapore.

Similar stringent requirements apply for the registration of foreign medical graduates. In order to apply for Conditional Registration with the SMC, the applicant must have a recognised qualification from a specified list of medical schools. This includes certain medical schools from Australia, Austria, Belgium, Canada, Denmark, Finland, Germany, Hong Kong Special Administrative Region, People's Republic of China, India, Ireland, Israel, Italy, Japan, Malaysia, the Netherlands, New Zealand, Norway, Pakistan, the PRC, South Korea, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, United Kingdom and the U.S. Medical graduates under Conditional Registration are required to undergo two years (for Singaporeans) or four years (for non-Singaporeans and Singapore Permanent Residents) of clinical practice on a full-time basis before being able to apply for Full Registration. The difference between Conditional Registration and Full Registration is that medical graduates under Conditional Registration are allowed to work only in an SMC-approved healthcare institution under the supervision of a fully registered medical practitioner while doctors under Full Registration are allowed to practice independently in Singapore.

In addition, there is a shortage in supply of dental and medical clinic assistants in Singapore due to the tightening of foreign worker policies. Dental and medical clinic assistants are crucial in the operations of dental and medical clinics.

In the PRC, the Group also faces the risk of being unable to attract and retain dentists. There are approximately only 136,000 registered dentists in the PRC (out of its population of approximately 1.3 billion), and as government-owned hospitals remain the dominant provider of basic medical-related services in the PRC, they tend to be the preferred employer for many of these dentists due to perceived job security. In addition, the increase in the number of private dental clinics in the PRC has further contributed to the shortage of dentists, and clinics have reported high dentist turnover.

In addition, as the Group's reputation grows, its competitors may seek to expand through recruiting the Group's dentists, doctors and dental and medical assistants.

If the Group is unable to successfully manage its growth and expansion in Singapore through recruiting and retaining dentists, doctors and dental and medical assistants, its operations and financial performance may be adversely affected.

The Group's performance is largely dependent on the general economic condition in Singapore and the PRC

The Group's revenue from dental healthcare services is derived mainly from Singapore and the PRC. The Group does not have significant service contracts with any individual or corporate client, and demand for its dental healthcare services is largely dependent on the financial ability and the willingness of patients to pay for private dental healthcare services. General negative market sentiment or a slowdown in the economy may lead to a decrease in demand for the Group's dental healthcare services as more patients may opt for subsidised public dental healthcare services available at government hospitals. Moreover, the Group's dental rates are affected by changes in government healthcare policies. Any adverse change in the general economic condition of Singapore and the PRC and/or government healthcare policies may affect the Group's revenue and financial performance.

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Any adverse changes in the political, economic, regulatory or social conditions in the countries which the Group operates or into which it intends to expand its business may have a material and adverse effect on its operations, financial performance and future growth

The Group is governed by the laws, regulations and government policies in each of the countries which it operates or into which it intends to expand its business and operations. Its business and future growth is dependent on the political, economic, regulatory and social conditions in these countries. Any economic downturn or changes in policies implemented by the governments in these countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection laws and regulations, duties, taxation and limitations on imports and exports could materially and adversely affect the Group's operations, financial performance and future growth.

The Group may be subject to legal claims arising from medical negligence

The provision of professional dental healthcare and medical healthcare services entails inherent risks of potential liability arising from legal claims from patients and regulatory action.

In addition, with the advent of new technologies and modalities of treatment, the amount of medical malpractice litigation brought by patients has increased across the industry. Such medical malpractice litigation is typically brought against the patient's doctor/dentist, who may also seek to include as a defendant the clinic, center or hospital at which treatment was given. Moreover, as the Group ventures into new areas of medical practices that involve the treatment of more complex medical conditions which do not have guaranteed positive outcomes, the Group's exposure to medical malpractice litigation is likely to increase.

The Group tries to mitigate this risk by having insurance covers. The Group's dentists and doctors have each taken up professional indemnity to cover such risks. In addition, the Group obtains an indemnity from each of its dentists and doctors in Singapore and Malaysia for any legal claims arising from medical negligence brought against the Group. The Group has also taken up corporate professional indemnity. Further, the Company is a corporate member of the Medical Protection Society Limited ("MPS"). Dental Protection Limited ("DPL"), a wholly-owned subsidiary of MPS, supports the members of MPS by, among other things, providing professional indemnity to them. Under this indemnity, persons employed by or otherwise contracted by the Company for the provision of dental services as so notified to DPL may be indemnified against all losses, damages, costs, charges and expenses in respect of a qualifying claim. Under the terms of the agreement entered into between the Company and MPS, there is no monetary cap specified for such qualifying claims. However, the indemnity is granted on an occurrence-based discretionary basis, and hence there is no assurance that the Group will be indemnified fully or at all in respect of any claim brought against it or its dentists. The Group's doctors are covered by a similar occurrence-based discretionary indemnity by the MPS. The indemnities from MPS, however, do not cover the Group's operations in the PRC.

Further, the grant of the indemnity by MPS is entirely in the discretion of the council of the MPS who has the power to impose such terms and conditions on the grant of any indemnity as it thinks fit, and may in its absolute discretion limit or restrict each indemnity or decline altogether to grant the same.

In addition, the Group's dentists, oral health therapists and doctors may be subject to disciplinary actions from the respective governing professional bodies and they may be fined and/or have their licences suspended or revoked.

As the Group's dentists and doctors are independent practitioners and not employees, the Group is unable to control their practice even though it may be held responsible for their actions by a court. The Group may also be unable to withdraw the credentials it has granted to a dentist or doctor who is repeatedly sued by his or her patients absent a finding or other similar action by the local dental/medical association or other relevant regulatory authority.

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Further, even if the Group is not involved in such medical malpractice litigation, its reputation may be adversely affected by its association with the dentist, oral health therapist or doctor involved in the medical malpractice litigation. If such medical malpractice litigation is not decided in its or the dentist's, oral health therapist's or doctor's favour, the Group's business, financial position, results of operations and prospects may be materially and adversely affected.

As at the Latest Practicable Date, there is no known investigation, disciplinary action or legal proceeding against the Group and/or its dentists, oral health therapists or doctors for medical malpractice that is likely to have a material adverse impact on the financial position of the Group. However, the Group is always subject to risks of investigations, disciplinary actions or legal claims; there is no assurance that the Group is always free from such events.

In the event of such claims or disciplinary actions against the Group's dentists, oral health therapists, doctors, staff or the Group, there may be an adverse and material effect on the Group's financial performance, professional standing and market reputation.

The Group's insurance coverage may be inadequate to indemnify the Group against all possible liabilities

The Group may not be able to maintain insurance at levels of risk coverage or policy limits to cover all possible liabilities. In addition, the Group's insurance policies are renewed on an annual basis and there can be no assurance that it will be able to renew all its policies or obtain new policies on similar terms. Liabilities may exceed the Group's available insurance coverage or arise from claims outside the scope of its insurance coverage. In the event that the amount of such claims exceed the coverage of the general insurance policies which the Group has taken up, it may be liable for shortfalls in the amounts claimed and the Group's business, financial condition and operating results may be adversely affected.

Increased competition in the dental and medical healthcare industry may affect the Group's ability to maintain its market share and growth

The dental and medical healthcare business is highly competitive, and competition among healthcare providers for patients has intensified in recent years. Generally, the clinics in the regions served by the Group provide services similar to those offered by it.

In Singapore and Malaysia, the Group's competitors are mainly government hospitals and clinics and other private dental, medical and general healthcare groups, some of which possess greater financial resources and better infrastructure than the Group. In Malaysia, the Group's competitors would also have the competitive edge of having been established for a longer time in the region in which they operate, while the Group's clinics are relatively new. Apart from market share, the Group also competes for the relatively limited talent pool of dentists and doctors in Singapore. Failure to compete with and differentiate its operations from these competitors will result in a lower market share or fewer dentists and/or doctors joining the Group and this may adversely and materially affect its revenue and profitability.

In the PRC, the Group currently competes primarily with government-owned hospitals in the regions in which it operates. In particular, the Group's competitors include hospitals that are owned or managed by government agencies, which may have access to wider financing options or may be in a better commercial position to negotiate for the purchase of inventory on more favourable terms than private clinics such as the Group's. Further, hospitals that are owned or managed by government agencies are usually favoured by the locals over private clinics as they are perceived as being more reliable and as providing better quality dental healthcare services. They are also preferred by the locals as the medical insurance policies of most PRC patients only cover treatment at government-owned hospitals and not those at private clinics. If the Group's clinics are forced to reduce the price of their services or are unable to attract patients to their clinics, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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Furthermore, the Group has expanded into (i) the business of distributing dental products and equipment in Singapore and Malaysia, and (ii) the business of manufacturing dental products in the PRC. It faces competition from the established players in the respective markets. There is no assurance that it will be able to compete successfully against these established players in the future, or that it will not expend significant resources, incur losses or get poor returns on its endeavours. If these develop into actual events, the Group's financial performance and financial position may be adversely and materially affected.

An inability to secure suitable sites for its dental and medical centres and clinics in a cost effective manner will adversely affect the Group's operations

The Group typically sets up its dental and medical centres and clinics at strategic locations at cost effective rental rates. Save for the Group's property at Jurong East, the rest of the properties on which the Group operates its medical and dental centres and clinics are all leased.

The strategic locations of the Group's dental and medical centres and clinics have enabled the Group to reach out to patients. However, there is no assurance that the Group will always be able to keep its dental and medical centres and/or clinics at these locations. For example, in the event that there is an increase in rental and/or redevelopment and/or upgrading works being carried out by landlords of properties on which the Group's dental and medical centres and/or clinics are located, the Group may be forced to relocate or absorb the higher rental costs, as the case may be. Rental rates of the properties on which the Group operates its dental and medical centres and clinics have also increased over the years. Although the Group tries to mitigate this risk by signing long-term leases with its landlords and by negotiating for caps in rental increases after each term, there is no assurance that it will always be able to keep its rental costs low, or that increases in rent will not have a material adverse impact on the Group's business, financial condition, results of operations and prospects. Failure to renew, or the early termination of, any of these leases may also force the Group to relocate the affected operations. Relocations will cause disruptions to its normal business operations and it may have to incur additional expenses associated with relocations. Moreover, the inability to relocate its dental and medical centres and/or clinics to new premises that are in close proximity to the existing premises may lead to a loss of its existing pool of patients. If these develop into actual events, the Group's financial condition, results of operations and prospects may be materially and adversely affected.

The outbreak of communicable diseases, if uncontrolled, could affect the Group's business

In recent years, the outbreak of various communicable diseases, such as Severe Acute Respiratory Syndrome, the Avian influenza and the H1N1 influenza, have resulted in global economic and social uncertainties. There is no assurance that the Group will not be affected significantly if similar outbreaks should occur in the future. The resurgence of such communicable disease, if uncontrolled, may potentially affect the Group's business and operations. In addition, if any of the employees in its dental clinics is infected with communicable diseases, the Group may experience disruptions to its business or may be required to temporarily shut down the affected dental clinic for quarantine purposes. Such disruptions to the Group's business and operations may have a negative impact on its financial performance.

The Group has certain measures, procedures and protocols in place to mitigate the effects of such outbreaks. This includes, among other things, ensuring that it has a sufficient supply of effective personal protection equipment (PPE) for all staff (for example, surgical gloves, gowns and caps and N95 respirator masks), having stringent infection control protocols in place to prevent person-to-person contamination and keeping full records of the contact details of patients to facilitate contact tracing if necessary.

The Group's financial performance will be affected by its inability to contain its operating expenses

Employee benefits expense (comprising mainly professional fees paid to dentists, oral health therapists and doctors, and remuneration paid to dental and medical clinic assistants) accounted for approximately 70%, 69% and 66% of the Group's total operating expenses for FY2011,

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FY2012 and FY2013 respectively. Competition for trained dentists, doctors, dental and medical clinic assistants, manufacturing staff and production workers may require the Group to enhance its various remuneration packages in order to remain competitive in recruiting or retaining them. In addition, any changes in government policies may result in a shortage of trained dentists, doctors, dental and medical clinic assistants, manufacturing staff and production workers and will likely increase the costs of recruiting and retaining such professionals and/or staff. If the Group is unable to pass on such increase in costs to patients or customers, an increase in employee benefits expenditure will have an adverse effect on its financial performance. Furthermore, the Group may face higher costs associated with inflationary pressure in a global economy, which may also affect its profits adversely.

Inability to keep abreast of advances in technology may affect the Group's financial performance adversely

The Group needs to continually keep up with advances in technology relevant to its business.

Rapid changes in the dental and medical healthcare industry require sourcing for and investing in new dental and medical equipment and technology. From time to time, the Group also needs to upgrade existing dental and medical equipment and facilities. This may require significant capital expenditure. If the Group is unable to adapt to and acquire such advances in dental and medical technology, demand for its dental and medical healthcare services may decline. There is also no assurance that it will be able to recover the financial outlay for these dental and medical equipment and technology should its patients' expectations of these services not be met. If these develop into actual events, the Group's operations and financial performance may be adversely affected.

With the advancement of technology and continual research and development in the production process for the manufacturing industry, new manufacturing techniques or new products may be developed. There is no assurance that the Group will be able to keep up with the improvements, enhancements and new standards introduced by its competitors. The development and introduction of new technologies may adversely affect the demand for the Group's existing products and services, or render the Group's existing products and services obsolete, which will in turn adversely affect the Group's business, financial position and operating results.

There is no assurance that the Group's expansion plans will be successful

The Group's growth strategies include expansion in Singapore by increasing its dental healthcare services and expanding its presence in its overseas markets. The Group also intends to expand its distribution of dental supplies and equipment business and its medical healthcare business. These expansion plans will require substantial capital expenditure and financial resources. The success of the Group's expansion plans depends on many factors, some of which are not within its control. The number of attractive expansion opportunities may be limited and may command high valuations, and the Group may be unable to secure the necessary financing to implement expansion plans. The Group may also be unable to achieve a sufficient level of revenue or manage its costs effectively, or may be unable to identify suitable expansion opportunities. All the above factors could cause the commencement of these planned expansions to be delayed. The Group has placed dedicated management teams in Singapore, Malaysia and the PRC to oversee the businesses in these regions so as to mitigate this business risk. However, there is no assurance that circumstances beyond its control will not arise. In the event that any of the above scenarios develop into actual events, the Group's future financial performance and position may be adversely affected.

In addition, there are risks inherent in doing business overseas. These risks include unexpected changes in healthcare regulations, difficulties in staffing and managing foreign operations, social and political instabilities, potentially adverse tax consequences, legal uncertainties regarding liabilities and enforcements, reduced protection for intellectual property rights in some countries, tariffs and other trade barriers, variable and unexpected changes in local laws and barriers to the repatriation of capital or profits. Any of the above factors could adversely affect the Group's overseas operations and financial performance.

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Moreover, the Group may face difficulties arising from operating a significantly larger and more complex organisation as a result of acquiring new clinics (both in Singapore and overseas) and acquiring related healthcare businesses, and it may not be able to effectively manage a larger enterprise or achieve the desired profitability from such acquisitions or expansion. The Group's acquisitions could also be subject to certain additional risks, including:

- difficulties arising from operating a significantly larger and more complex organisation and expanding into new areas and territories, for example, having to deal with unfamiliar government authorities and regulations;
- difficulties in the integration of the assets and operations of acquired businesses with its existing assets and business;
- the loss of patients and other dental staff following any acquisition;
- the diversion of management's attention from its existing dental service business and an interruption of, or a loss of momentum in, the activities of such dental services;
- the failure to realise expected profitability or growth;
- the failure to realise expected synergies and cost savings;
- difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting;
- unforeseen legal, regulatory, contractual, labour or other issues; and
- difficulties arising from language, cultural and geographic barriers.

If the Group is unable to manage the growth in its business or is unable to successfully integrate newly acquired clinics and related healthcare businesses, its ability to compete effectively could be impaired, and this may result in a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may be subject to unknown or contingent liabilities and other inherent operational and regulatory risks relating to the businesses and companies that it acquires

Businesses that the Group acquires may have unknown or contingent liabilities, such as liabilities for failure to comply with healthcare laws and regulations, and the Group may become liable for the past activities of such businesses. The Group mitigates this risk by conducting due diligence exercises on all business, assets and companies that it acquires, and by having strict due diligence guidelines that must be complied with. However, there is no assurance that its due diligence team will be able to detect every risk associated with the business, asset or company that the Group acquires, and failure to do so may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's businesses are conducted through joint ventures

The Group has investments in joint venture companies for its business in the PRC and Malaysia. Although the Group typically maintains a certain level of control over these projects through ownership of a controlling interest or through management control, joint ventures may nonetheless involve special risks or problems associated with joint venture partners including, among other things, reputational issues, disagreements with joint venture partners, change of heart by joint venture partners after signing agreements or one or more of the partners experiencing financial difficulties and exposing the Group to credit risk. Should such problems occur on a large scale, the Group's business, financial condition, results of operations and prospects could be adversely affected.

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The Group may be affected by terrorist attacks, natural disasters such as floods and earthquakes and other events beyond its control

Terrorist attacks may lead to uncertainty in the economic outlook of the markets in which such attacks occur, and thus lead to an economic downturn. There can be no assurance that the terrorists will not target the countries in which the Group operates or may operate in the future.

There have been major natural catastrophes in the PRC in recent years and Malaysia faces floods triggered by torrential monsoon rains. Such events have caused substantial structural and physical damage to properties and infrastructure in these countries. Although the Group has not been affected by such natural disasters, there is no assurance that the Group will not expand into other regions in Malaysia, the PRC or other countries where natural disasters occur.

The consequences of any such terrorist attacks, natural disasters or other events beyond its control are unpredictable, and the Group is not able to foresee events of such nature which could cause interruptions to parts of its businesses and have an adverse effect on its business operations and financial position.

If any of the above develop into actual events, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

Exchange rate instability may adversely affect the Group's business, financial condition, results of operations and prospects

The Group's functional currency for its dental supplies and equipment distribution business in Malaysia is denominated in Ringgit Malaysia and the Group's functional currency for its business operations in the PRC is denominated in Renminbi. The accounts of such subsidiaries have to be translated into Singapore dollars for consolidation into the Group's consolidated financial statements at every reporting date.

Generally, monetary assets and liabilities are translated from Ringgit Malaysia and Renminbi into Singapore dollars using the exchange rate on the relevant reporting balance sheet date, while non-monetary assets and liabilities are translated using their respective historical dates. Statements of comprehensive income are generally translated using the average exchange rate for the reporting period. Any currency exchange gain or loss arising from the translation process is recognised as other comprehensive income and accumulated in the foreign currency translation reserve under equity.

Currently, such translation differences are not significant. However, if the Group's business activities which are denominated in foreign currencies increase substantially, the resulting translation differences could become significant and may materially affect the results and shareholders' fund position of the Group. The computation of bank covenants and debt servicing ratios may also be affected.

The Group's operations are affected by challenges that affect the healthcare industry generally

The Group is impacted by the challenges currently facing the healthcare industry. The Group believes that the key ongoing industry-wide challenges are providing high-quality patient care in a competitive environment and managing costs.

In addition, the Group's business, financial condition, results of operations and prospects may be affected by other factors that affect the entire industry in general, such as (but not limited to) the following:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;

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- general economic and business conditions at local, regional, national and international levels;
- demographic changes;
- an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that could affect travel security or the global economy and could reduce the volume of medical travellers;
- improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to the Group's dental and medical centres and clinics;
- changes in the supply distribution chain or other factors that increase the cost of supplies;
- stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;
- stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated;
- potential reputational and financial risk to the Group's operations caused by the independent actions of dentists and doctors; and
- rising operating costs, especially rental and labour costs.

In particular, patient volume and operating income at the Group's dental and medical centres and clinics are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the cultural and business environment in the home countries of medical travellers;
- the number of uninsured and underinsured patients in local communities;
- seasonal cycles of illness;
- climate and weather conditions; and
- recruitment, retention and attrition of dentists and doctors.

Any failure by the Group to effectively manage these challenges could result in a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is subject to general risks associated with operating businesses outside Singapore

The Group has significant business interests outside Singapore, primarily in the PRC and Malaysia. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

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In addition, if the governments of countries in which the Group operates tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

Risks Specific to the Group's Manufacturing Business

The Group's profitability may be affected by increases in raw material prices and/or shortages in raw materials

There is no assurance that the Group will not face shortages of raw materials to meet its production requirements in the future. Although the Group has not encountered any shortage of raw materials in the past, any sudden shortage of supply or reduction of allocation of raw materials to the Group from its suppliers which could be affected by, amongst others, erratic unfavourable weather conditions or demand and supply conditions may result in the Group having to pay a higher cost for these raw materials and may adversely affect the Group's business and results of operations. In the event that the Group is unable to find a comparable source of supply at competitive prices or pass on increases in the costs of such raw materials to the Group's customers on a timely basis, the profit margins for the Group's products may be adversely affected. Accordingly, the Group's business, financial position and operation results may be adversely affected.

In addition, the Group also purchases and maintains an inventory of raw materials ahead of receipt of orders from its customers. Accordingly, any significant decrease in raw material prices during the period may adversely affect the Group's profit margins and profitability as the Group may have to lower its selling prices for new orders.

The Group is exposed to the risk of decrease in orders, delays, claims, rejections or cancellations of orders

There is no assurance that the Group will continue to retain its customers and that they will maintain or increase their current level of business with the Group. If the Group's sales to any of these customers are reduced significantly and the Group is unable to increase sales to other customers, the Group's business and financial performance may be affected.

In the event there is a material delay, rejection and/or cessation of orders and/or claims for whatever reason by any of the Group's customers and the Group is unable to replace and/or obtain substitute orders of a comparable size, the Group's business and results of operations may be adversely affected.

Inventory obsolescence may affect the Group's financial performance

In the course of its business, the Group may purchase raw materials according to confirmed orders and customers' committed forecasts. For long lead-time components which it purchases in accordance with its customers' committed forecasts, it will experience inventory obsolescence in the event that such forecasts do not materialise into confirmed orders and its customers are not able to pay back the cost of such inventory. Its financial performance will be adversely affected if there is a need to make allowance for any decline in the value of its inventory.

The Group may face disruptions at its manufacturing facilities

The Group may face disruptions to its manufacturing operations due to unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, strikes or labour disputes, and other calamities or events beyond our control. This would result in longer lead-time for production and delayed delivery to its customers. Notwithstanding the measures and steps that the Group has taken, there is no assurance that emergency crises would not cause disruptions in its operations. As a result of such disruptions, failure to meet its customers' expectations and make deliveries as required by its agreements with customers could damage its reputation and/or expose the Group to legal claims and may, as a result, lead to loss of business and affect the Group's ability to attract new business. In such events, the Group's business and financial performance will be adversely affected.

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The Group is exposed to the credit risks of its customers

The Group's customers may be unable to meet their contractual payment obligations to the Group, either in a timely manner or at all. In addition, the Group's customers may cancel their orders. The reasons for payment delays, cancellations or default by the Group's customers may include, amongst others, insolvency, bankruptcy, insufficient financing or working capital due to late payments by their respective end customers. The Group may not be able to enforce its contractual rights to receive payment through legal proceedings. In the event that the Group is not able to collect payments from its customers, its business, financial condition and operating results may be adversely affected.

The Group is dependent on the credit terms given by our suppliers

The Group is given credit terms by our suppliers. In the event that the Group's suppliers terminate or shorten the credit terms granted to the Group due to, amongst others, poor economic conditions and the Group is unable to seek alternative sources in a timely manner and/or at competitive costs, the Group's business and financial condition may be adversely affected.

The Group may be the subject of complaints and product liability claims

Although the Group's products are required to comply with the Group's stringent quality assurance procedures, as well as to comply with international standards and requirements, there remains a possibility that the Group's products manufactured or distributed may contain chemical substances and/or other substances that are sensitive to certain users. Although the Group has not faced any complaints or product liability claims in the past, consumers who use the Group's products may develop allergic or other adverse reactions despite the Group's safety and quality controls and testing. As a result, the Group may face an inherent risk of exposure to product liability claims and legal claims in the event that the use of the Group's products results in allergy or other adverse reactions from the users. In such events, the Group may have to compensate its customers or expend significant amounts on litigation.

In the event that the Group's products are found to be unfit for their intended purpose, non-compliance with industry regulations or contain material defects, the Group may face product liability claims from its customers. The Group may have to spend a significant amount of time and resources to defend itself in the event that legal proceedings are instituted against the Group, with or without merit. There is no assurance that the Group will not face such claims in future, which may have an adverse impact on the Group's business, financial condition and results of operations.

The Group may face claims for defective products and late delivery of its products to customers and product liability claims if its products are found to be defective in the countries where the Group manufactures, distributes, markets and sells

If the Group's products are found to contain defects, it may be required to recall the products, compensate its customers or incur additional expenses for any remedial actions to be taken to rectify and make good such defects. The Group may also face claims in the event it is unable to fulfil its delivery schedules.

Additionally, the Group may face product liability claims if its products are found to contain defects thereby causing personal injury or death or damages to users. It may also, from time to time, be required by its customers to contractually indemnify them against claims and losses which they may face or suffer as a result of product liabilities claims as against them for products manufactured by the Group. Furthermore, the Group may not have comprehensive insurance coverage against product liability claims, thus if such claims were to be made against the Group, it may be required to pay substantial damages which will result in an adverse impact on its business operations and financial position. Such claims could also result in negative publicity for the Group and cause damage to its business reputation.

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Risks of Conducting Business in the PRC

Changes in political, social or economic policies in the PRC, or a slowdown in the PRC's economy, may have an adverse impact on the Group's operations

Although most of the Group's revenue is derived primarily from its business in Singapore, the Group's business operations in the PRC may increase and may contribute substantially to the Group's revenue in the future. As a result, the Group's results of operations and prospects may increasingly be subject to political, economic, social and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many aspects, including the extent of government involvement, allocation of resources, capital reinvestment, level of development, growth rate, and control of foreign exchange. Historically, the Chinese economy was centrally-planned, with a series of economic plans promulgated and implemented by the PRC government. Since 1978, the PRC government has undergone various reforms of its economic system. Such reforms have resulted in economic growth for the PRC in the last two decades. However, continued governmental control of the economy may adversely affect the Group. The Group cannot give assurance that the PRC government will continue to pursue economic reforms. A variety of policies and measures that could be taken by the PRC government to regulate the economy, including (i) the introduction of measures to control inflation or deflation, or reduce growth, (ii) changes in the rates or methods of taxation, (iii) the imposition of additional restrictions on currency conversions and remittances abroad, or (iv) restrictions on foreign investment, could materially and adversely affect the Group's business, financial condition, results of operations and prospects. Accordingly, the Group's financial condition, results of operations and prospects may be adversely affected by changes in the PRC's political, economic and social conditions and by changes in policies of the PRC government or changes in laws, regulations or the interpretation or implementation thereof.

The Group's business and operations in the PRC are governed by the PRC legal system which has inherent uncertainties that could limit available legal protections

The Group's business and operations in the PRC are governed by the PRC legal system. The PRC legal system is a codified system with written laws, regulations, circulars, administrative directives and internal guidelines. The PRC government is still in the process of developing its legal system so as to meet the needs of investors and encourage foreign investment. As the PRC economy is undergoing development at a generally faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still at experimental stages and are therefore subject to policy changes. Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited. Accordingly, the outcome of dispute resolution in the PRC may not be as consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain a swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction.

It may be difficult to effect service of process upon the Group's PRC subsidiaries or the Group's Directors or executive officers who live in the PRC or to enforce against any of them in the PRC any judgments obtained from the courts of other jurisdictions

Currently, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan, Singapore or most other developed countries or regions. Some of the Group's Directors and executive officers reside within the PRC. Therefore, it may not be possible for investors to effect service of process upon the Group's PRC subsidiaries or those persons inside the PRC, or to enforce against any of them in the PRC any judgments obtained from the courts of jurisdictions with which the PRC does not have treaties providing for reciprocal recognition and enforcement.

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PRC foreign exchange control may limit the Group's ability to utilise its revenue effectively and affect its ability to receive dividends and other payments from its PRC subsidiaries

The Company operates its businesses through its operating subsidiaries in the PRC. Laws in the PRC require that dividends be paid only out of net profit, calculated according to the PRC accounting principles, which may differ from generally accepted accounting principles in other jurisdictions. Furthermore, PRC law requires foreign-invested enterprises (“**FIEs**”) to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund the Group's operations and to service its indebtedness depends on dividends received from these subsidiaries, any restrictions on the availability and usage of its source of funding may impact the Group's ability to fund its operations and to service its indebtedness. As at the Latest Practicable Date, three of the Group's PRC subsidiaries, Shanghai Q & M Investment Management & Consulting Co., Ltd. Qinhuangdao Aidite High Technical Ceramic Co., Ltd. and Shenyang Quaxin Medical Equipment Leasing Co., Ltd., are FIEs.

The Group's PRC subsidiaries are subject to the PRC rules and regulations on currency conversion. In the PRC, the PRC State Administration of Foreign Exchange (“**SAFE**”) regulates the conversion of the RMB into foreign currencies. Currently, FIEs are required to apply to SAFE for “Foreign Exchange Registration Certificates for FIEs”. With such registration certifications (which need to be renewed annually), FIEs are allowed to open foreign currency accounts including the “basic account” and “capital account”. Currently conversion within the scope of the “basic account” (e.g. for transactions of a revenue nature, etc.) can be effected without requiring the approval of SAFE. However, conversion of currency in the “capital account” (e.g. for capital items such as direct investments, loans, etc.) still requires the approval of, or registration with, SAFE.

The Group cannot provide assurance that the relevant regulations will not be amended to its disadvantage and that the ability of its PRC subsidiaries to distribute dividends to it will not be adversely affected.

Dividends payable by the Group's PRC subsidiaries or associate companies to it may not qualify for preferential tax treatment under the Singapore-China Tax Treaty

The Company is incorporated under the laws of Singapore with some of its operations conducted through its PRC subsidiaries and associate companies. Under the PRC Enterprise Income Tax Law, dividends, interests, rents and royalties payable by a foreign invested enterprise in the PRC to its foreign investor which is a non-resident enterprise, as well as gains on transfers of shares of a foreign-invested enterprise in the PRC by such a foreign investor, will be subject to a 10% withholding tax, unless such non-resident enterprise's jurisdiction of incorporation has a tax treaty with the PRC that provides for a reduced rate of withholding tax. Under the Singapore-China Tax Treaty (the “**Tax Treaty**”), the withholding tax rate for dividends paid by a PRC resident enterprise to a Singapore resident enterprise is no more than 5% if the Singapore enterprise owns at least 25% equity interest of the PRC enterprise; otherwise the dividend withholding tax rate is 10%. According to the Notice of the State Administration of Taxation on Issues regarding the Administration of the Dividend Provision in Tax Treaties (the “**Notice 81**”) promulgated on 20 February 2009, to apply the Tax Treaty, certain requirements shall be satisfied, among which: (1) the taxpayer shall be the beneficiary owner of the relevant dividends; (2) for corporate recipients that enjoy the tax treatment under the Tax Treaty as direct owners of a certain proportion of the equity interest of a PRC enterprise (usually such certain proportion shall be 25% or 10%, and under the Singapore-China Tax Treaty, it is 25%), such corporate recipients must satisfy the direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends. On 24 August 2009, the State Administration of Taxation issued the Administrative Measures for Non-resident Enterprises to Enjoy Treatments under Tax Treaties (For Trial Implementation), which became effective on 1 October 2009. It requires that non-resident enterprises obtain the approval for enjoying the treatments under tax treaties from the competent tax authority. Further, the State Administration of Taxation promulgated the Notice on How to Understand and Recognize the “Beneficiary Owner” in Tax Treaties on 27 October 2009, which limited “Beneficiary Owner” to individuals, enterprises or other organisations normally engaged in substantive operations, and set forth certain adverse factors on the recognition of such “Beneficiary Owner”. Given the various PRC tax regulations providing for

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stricter requirements for enterprises to apply preferential withholding tax rates under tax treaties, the Group cannot provide assurance that it can satisfy all these requirements and obtain the necessary approvals in order to enjoy preferential treatment under the Tax Treaty.

Risks Relating to Investment in the Rights Issue

An active trading market in the Rights may not develop

A trading period has been set for the Rights from 20 November 2014 to 28 November 2014, as the Rights Trading Period. The Company cannot assure Shareholders that an active trading market for the Rights on the SGX-ST will develop during the Rights Trading Period or that any over-the-counter trading market in the Rights will develop. Even if an active market develops, the trading price of the Rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The Rights relating to the Shares held by such ineligible Shareholders may be sold by the Company, which could result in a decline in the trading price of the Rights.

The Rights Issue may cause the price of Shares to immediately decrease, and this decrease may continue

The Issue Price represents a discount of approximately 78% to the last traded price of S\$0.4550 for Shares traded on the SGX-ST on 30 June 2014, being the Market Day immediately preceding the Announcement on which Shares were traded on the SGX-ST, and a discount of approximately 75% to the theoretical ex-rights price¹ of S\$0.3958 per Share. This discount, along with the number of Rights Shares, may result in an immediate decrease in the trading price of the Shares and this decrease may continue after the completion of the Rights Issue.

Shareholders who do not or are not able to accept their Rights will experience a dilution in their ownership of the Company

If Shareholders do not or are not able to accept their Rights, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the repayment of borrowings, expansion of new developments relating to the Group's existing operations and/or to finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience further dilution in the value of their Shares.

The Company's Share price may fluctuate

The market price for the Shares on the SGX-ST (including the Rights and the Rights Shares) could be subject to significant fluctuations due to a change in sentiment in the market regarding the Shares (including the Rights and the Rights Shares). Any fluctuation may be due to the market's perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Company's control. Examples of such factors include but are not limited to: (i) variation in its operating results; (ii) changes in securities analysts' estimates of the Group's financial performance; (iii) fluctuations in stock market prices and trading volume; (iv) general changes in rules/regulations with regard to the industries that the Group operates in; and (v) economic, stock and credit market conditions.

¹ The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the last traded price of S\$0.4550 for Shares traded on the SGX-ST on 30 June 2014, being the Market Day immediately preceding the Announcement on which Shares were traded on the SGX-ST, and the number of Shares following completion of the Rights Issue. The issued share capital on 30 June 2014 comprises 605,452,994 Shares.

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10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable as there is no profit forecast or profit estimate disclosed in this Offer Information Statement.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part–

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part–

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

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- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

Significant Changes

15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period, to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, the Directors are not aware of any event which has occurred since 31 December 2013 up to the Latest Practicable Date which has not been publicly announced which may have a material effect on the financial position and results of the Group.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

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PART VI – THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price for each Rights Share is S\$0.10, payable in full upon acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

An administrative fee will be charged by the relevant Participating Banks for each successful application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

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2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Shares are, and the Rights Shares will be, traded on the Main Board of the SGX-ST.

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3. **If –**
 - (a) **any of the relevant entity’s shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

None of the Shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the “**Eligibility of Shareholders to Participate in the Rights Issue**” section of this Offer Information Statement for further details.

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4. **If securities of the same class as those securities being offered are listed for quotation on any securities exchange –**
 - (a) **in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –**

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- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities—
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

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- (a) The Rights Shares to be issued are of the same class as the Shares and the Shares are listed for quotation on the Main Board of the SGX-ST.

The highest and lowest traded prices and volume of the Shares traded on the SGX-ST over the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 November 2014 to the Latest Practicable Date are as follows:

	Price range		Volume
	Low (S\$) ⁽¹⁾	High (S\$) ⁽²⁾	('000) ⁽³⁾
November 2013	0.265	0.278	19,181
December 2013	0.274	0.296	25,496
January 2014	0.296	0.317	37,382
February 2014	0.304	0.361	91,914
March 2014	0.348	0.370	61,779
April 2014	0.357	0.400	47,044
May 2014	0.383	0.426	48,827
June 2014	0.391	0.435	32,447
July 2014	0.391	0.426	16,861
August 2014	0.396	0.435	15,364
September 2014	0.409	0.422	24,197
October 2014	0.400	0.413	28,747
1 November 2014 to the Latest Practicable Date	0.396	0.440	12,615

Source: Bloomberg Finance L.P. Bloomberg Finance L.P. has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of such information.

Notes:

- (1) High Price was based on the highest closing price in a particular month.
- (2) Low Price was based on the lowest closing price in a particular month.
- (3) Volume was based on the total volume of Shares traded in a particular month.

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- (b) Not applicable. The Shares have been listed on the Main Board of the SGX-ST for more than twelve (12) months immediately preceding the Latest Practicable Date.
- (c) There has been no trading suspension of the Shares on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date, save for temporary trading halts for the purposes of releasing material announcements.
- (d) Please refer to paragraph (a) of this paragraph for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 November 2014 to the Latest Practicable Date.

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5. **Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –**
- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
 - (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on a date before the date of issue of the Rights Shares.

The Rights Shares are to be issued pursuant to the general share issue mandate approved by the Shareholders at the annual general meeting of the Company held on 28 April 2014.

Plan of Distribution

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Rights Issue is made on a renounceable non-underwritten basis to Entitled Shareholders at the Issue Price of S\$0.10 on the basis of one (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Up to 129,770,582 Rights Shares will be issued pursuant to the Rights Issue.

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors, trade their provisional allotments of the Rights Shares and will be eligible to apply for Excess Rights Shares during the Rights Trading Period.

For the avoidance of doubt, only Entitled Shareholders (not the purchasers of the provisional allotments or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.

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Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy Excess Applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its *pro rata* Rights Shares entitlement and/or apply for Excess Rights Shares) to avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory take-over offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

The Rights Shares will not be offered through any broker or dealer.

Foreign Shareholders

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

Not applicable, because the Rights Issue is not underwritten. Please refer to the Irrevocable Undertakings described in the Section entitled "Part X – Additional Information Required for Offer of Securities by way of Rights Issue" of this Offer Information Statement for more details.

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PART VII – ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable as no statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**
- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable as because no statement has been made by an expert in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the Offer Information Statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Not applicable as no statement has been made by an expert in this Offer Information Statement.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

Religare Capital Markets Corporate Finance Pte. Limited has given and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as the Financial Adviser and all references thereto, in the form and context in which it appears in this Offer Information Statement.

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Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —
- (a) the relevant entity's business operations or financial position or results; or
 - (b) investments by holders of securities in the relevant entity.

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Group's business operations or financial position or results or investments by the holders of securities in the Company.

PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE SECURITIES

Not applicable.

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PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. Provide –

- (a) the particulars of the rights issue;**
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**
- (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;**
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

(a) Principal Terms of the Rights Shares

Number of Rights Shares : Up to 129,770,582 Rights Shares to be issued.

Basis of Provisional Allotment : One (1) Rights Share for every five (5) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Rights Issue Price : S\$0.10 for each Rights Share, payable in full on acceptance and/or application.

Eligibility to participate : Please refer to the Section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

Status of the Rights Shares : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on a date before the date of issue of the Rights Shares.

Listing of the Rights Shares : The Company has on 21 October 2014 obtained the in-principle approval from the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST, subject to certain conditions.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Acceptance, Excess Applications and Payment Procedures : Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Excess Rights Shares.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with provisional allotments which are not taken up for whatever reasons, be aggregated and used to satisfy

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Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for Excess Applications including the different modes of acceptance or application and payment, are contained in **Appendices A, B and C** to this Offer Information Statement and in the PAL, the ARE and the ARS.

- Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares or such other number as may be notified by the Company. Please refer to the section entitled "Trading" of this Offer Information Statement for further details.
- Scaling Down : Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its *pro rata* Rights Shares entitlement and/or apply for Excess Rights Shares) to avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory take-over offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.
- Use of CPF Funds : CPFIS Shareholders may only use, subject to applicable CPF rules and regulations, CPF Funds for the payment of the Issue Price to subscribe for the Rights Shares and (if applicable) apply for Excess Rights Shares. CPFIS Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective CPF approved banks, where such CPFIS Shareholders hold their CPF Investment Accounts, to accept the provisional allotments of Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top up cash into their CPF Investment Accounts before instructing their respective CPF approved banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. Any application made directly to the CDP or through ATMs will be rejected. CPF Funds cannot, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

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Undertaking Shareholders : In support of the Rights Issue, the Undertaking Shareholders holding directly and indirectly an aggregate of 455,400,000 Shares representing a shareholding interest of approximately 70.19% of the Existing Share Capital, have given the Irrevocable Undertakings to the Company and the Financial Adviser, pursuant to which each of the Undertaking Shareholders has irrevocably undertaken with the Company and the Financial Adviser that, *inter alia*, it will subscribe and pay in full for its *pro rata* entitlement of the Rights Shares and/or to apply for Excess Rights Shares under the Rights Issue in accordance with the terms and conditions of its Irrevocable Undertaking.

Underwriting : The Rights Issue will not be underwritten.

Governing Law : Laws of the Republic of Singapore.

(b) The last date and time for the splitting of the provisional allotment of the Rights is on 28 November 2014 at 5.00 p.m.

(c) The last date and time for acceptance of and payment for the Rights Shares is on 4 December 2014 at 5.00 p.m. (and 4 December 2014 at 9.30 p.m. for Electronic Applications).

(d) The last date and time for renunciation of and payment by the renounee for the Rights Shares is on 4 December 2014 at 5.00 p.m. (and 4 December 2014 at 9.30 p.m. for Electronic Applications).

(e) The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices A, B and C, and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

Undertaking Shareholders

In support of the Rights Issue, each of the Undertaking Shareholders has given an Irrevocable Undertaking to the Company and the Financial Adviser to, *inter alia*, subscribe and pay for, and procure the subscription and payment for, its *pro rata* entitlement of the Rights Shares.

The details of the Irrevocable Undertakings are set out below:

(1) Quan Min Holdings Pte. Ltd., who has a direct and/or deemed interest in 338,654,608 Shares, representing approximately 52.19% of the Existing Share Capital, has given an irrevocable undertaking in favour of the Company that it will subscribe and pay for, and/or procure the subscription and payment for, its *pro rata* entitlement of 67,730,921 Rights Shares under the Rights Issue;

(2) Dr. Koh Shunjie, Kelvin, who has a direct and/or deemed interest in 33,460,000 Shares, representing approximately 5.16% of the Existing Share Capital, has given an irrevocable undertaking 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 6,692,000 Rights Shares under the Rights Issue;

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- (3) Dr. Koh Shuhui, Felicia, who has a direct and/or deemed interest in 14,340,000 Shares, representing approximately 2.21% of the Existing Share Capital, has given an irrevocable undertaking in favour of the Company that she will subscribe and pay for, and/or procure the subscription and payment for, her *pro rata* entitlement of 2,868,000 Rights Shares under the Rights Issue;
- (4) Heritas Helios Investments Pte. Ltd., who has a direct interest in 60,545,300 Shares, representing approximately 9.33% of the Existing Share Capital, has given an irrevocable undertaking in favour of the Company that it will subscribe and pay for, and/or procure the subscription and payment for, its *pro rata* entitlement of 12,109,060 Rights Shares under the Rights Issue; and
- (5) Dr. Ng Chin Siau, who has a direct interest in 8,400,092 Shares, representing approximately 1.29% of the Existing Share Capital, has given an irrevocable undertaking 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 (being the number of Rights Shares to be issued under the Rights Issue less Dr. Ng Chin Siau's *pro rata* entitlement of 1,680,018 Rights Shares and the number of Rights Shares which are currently the subject of the Irrevocable Undertakings in paragraphs (1) to (4) above).

In addition to the above, each of the Undertaking Shareholders has also undertaken, *inter alia*, to ensure that none of the Shares in which each of them currently has an interest (directly or indirectly), are sold, transferred or otherwise disposed of during the period commencing from the date of the Irrevocable Undertaking until the issue and listing on the SGX-ST of the Rights Shares. Dr. Koh Shunjie, Kelvin and Dr. Koh Shuhui, Felicia have further undertaken that they will not, and will procure that the registered owner of all Rights Shares held on their behalf will not, during the period commencing from the issuance of the Rights Shares and up to 15 January 2021 sell, grant options over, transfer, charge, pledge or dispose of or enter into any agreement to dispose of any of the Rights Shares held by them, or held on their behalf.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The Rights Issue will not be underwritten in view the Irrevocable Undertakings provided by the Undertaking Shareholders as set out in paragraph 1(f) of this Part X.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES
UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

3(b) Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2011, 31 December 2012, 31 December 2013, 30 September 2013 and 30 September 2014 are as follows:

	Unaudited As at 30 September 2014 S\$'000	Unaudited As at 30 September 2013 S\$'000	Audited As at 31 December 2013 S\$'000	Audited As at 31 December 2012 S\$'000	Audited As at 31 December 2011 S\$'000
Total current assets	64,650	40,741	42,074	26,558	22,857
Total current liabilities	51,476	16,261	11,058	10,576	7,810
Working capital	13,174	24,480	31,016	15,982	15,047

A review of the working capital of the Group as at 31 December 2011, 31 December 2012, 31 December 2013 and 30 September 2014 is set out below.

As at 31 December 2012 compared to 31 December 2011

Current Assets

Cash and cash equivalents as at 31 December 2012 increased to S\$18.5 million from S\$13.6 million as at 31 December 2011. The net increase of S\$4.9 million was due mainly to advances received for the proposed acquisition of Singapore Medical Group Ltd ("SMG") and the drawdown of IFC convertible loan offset by the purchase of Clementi property in cash.

Trade and other receivables decreased to S\$5.6 million as at 31 December 2012 from S\$7.0 million as at 31 December 2011. The decrease of S\$1.4 million was due mainly to the receipt of the sale proceeds from Sims Place property and decrease in deposit and prepaid stamp duty arising from the legal completion of the purchase of Clementi property.

Current Liabilities

Trade and other payables as at 31 December 2012 increased to S\$9.9 million from S\$6.3 million as at 31 December 2011, due mainly to advances received for the proposed acquisition of SMG.

At the end of 31 December 2012, the Group current portion of bank loan and finance leases decreased to S\$0.6 million from S\$1.3 million due mainly to the repayment of the bank loan for financing the purchase of the Sims Place property which was sold in December 2011.

As at 31 December 2013 compared to 31 December 2012

Current Assets

Cash and cash equivalents as at 31 December 2013 increased to S\$28.7 million from S\$18.5 million as at 31 December 2012. The net increase of S\$10.2 million was mainly due to the proceeds from private placement of 55 million new Shares at S\$0.305 per share on 17 January 2013.

Trade and other receivables increased to S\$10.2 million as at 31 December 2013 from S\$5.6 million as at 31 December 2012. The increase of S\$4.6 million was mainly due to tender deposit for new dental clinics premises, rental deposits for new dental and medical outlets and an increase in trade and other receivables from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Other assets as at 31 December 2013 increased to S\$1.5 million from S\$1 million as at 31 December 2012. The net increase of S\$0.5 million was mainly due to the increase in prepayment and payment of sign on bonuses to dentists and doctors.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL

Inventories increased to S\$4.1 million as at 31 December 2013 from S\$1.5 million as at 31 December 2012. The increase of S\$2.6 million was mainly due to inventories from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Current Liabilities

Trade and other payables as at 31 December 2013 increased to S\$13.3 million from S\$9.9 million as at 31 December 2012, mainly due to the conversion of the advance received for the proposed joint acquisition of Singapore Medical Group Limited ("SMG") with a private party to placement of 55 million of new Shares and trade and other payables derived from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

At the end of 31 December 2013, the Group current portion of bank loan and finance leases decreased to S\$0.2 million from S\$0.6 million mainly due to the repayment of the bank loan and finance lease.

As at 30 September 2014 compared to 31 December 2013

Current Assets

Cash and cash equivalents as at 30 September 2014 increased to S\$38.7 million from S\$28.7 million as at 31 December 2013. The net increase of S\$10 million was mainly due to the drawdown of the bank loans and advance received from undertaking of right issue exercise offset by the purchase of property, investment in PRC and payment of dividends to shareholders.

Trade and other receivables increased to S\$15.2 million as at 30 September 2014 from S\$7.7 million as at 31 December 2013. The increase of S\$7.5 million was due mainly to an increase in trade and other receivables from the acquisition of Aoxin in July 2014 and Aidite in August 2014.

Other assets as at 30 September 2014 increased to S\$2.8 million from S\$1.5 million as at 31 December 2013. The net increase of S\$1.3 million was mainly due to an increase in prepayment from the acquisition of Aidite in August 2014.

Inventories increased to S\$7.9 million as at 30 September 2014 from S\$4.1 million as at 31 December 2013. The increase of S\$3.8 million was due mainly to inventories from the acquisition of Aoxin in July 2014 and Aidite in August 2014 and the dental equipment and supplies distribution company in Singapore and Malaysia.

Current Liabilities

Trade and other payables as at 30 September 2014 increased to S\$36.3 million from S\$10.8 million as at 31 December 2013, mainly due to the advance received for the undertaking right issue exercise and the acquisition of Aoxin in July 2014 and Aidite in August 2014.

At the end of 3Q2014, the Group current portion of bank loans and finance leases increased to S\$14.7 million from S\$0.2 million due mainly to the short term loan of S\$14 million for acquisition and working capital in PRC.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES
UNDER APPENDIX 8.2 OF THE SGX-ST LISTING MANUAL**

3(c) Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

Not applicable. The Rights Issue does not involve an issue of convertible securities.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made *via* the SGX-SSH Service.
- 1.2 CPFIS Shareholders can only use, subject to applicable CPF rules and regulations, their CPF Funds to pay for the Rights Shares and (if applicable) application for Excess Rights Shares, if they had previously bought their Shares using CPF Funds. In the case of insufficient CPF Funds or stock limit, CPFIS Shareholders could top-up cash into their CPF Investments Accounts before instructing their respective CPF Approved Banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds cannot, however be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

CPFIS Shareholders who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct the respective CPF Approved Banks, where such CPFIS Shareholders hold their CPF Investment Accounts, to accept their provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Any acceptance and/or application by CPFIS Shareholders to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares made directly through CDP, the Share Registrar, the Company, and/or by way of an Electronic Application will be rejected.

- 1.3 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Excess Rights Shares. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.4 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) Excess Application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of the Entitled Depositor's Securities Account is not credited with, or is credited with less than, the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the Excess Application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be authorised and entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part (A) of Section II of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section II of the ARE the number of Excess Rights Shares applied for and in Section II of the ARE the respective and total amounts to be made payable to “**CDP – Q & M Rights Issue Account**”; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
 - (i) by hand to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #1-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER’S OWN RISK**, in the self-addressed envelope provided, to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**CDP – Q & M Rights Issue Account**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and delivered to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.4 and 5.2 of this Appendix A which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company’s behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraphs 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 200 Rights Shares or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, an Entitled Depositor who wishes to renounce is advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARE)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares | (1) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 4 December 2014 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or |
| | (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 2,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$200 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights |

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

Shares applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP – Q & M Rights Issue Account**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #1-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

(1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 4 December 2014**; or

(2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$100, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments of 200 or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.

(1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$100, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through **CDP by 5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

(A) 5.00 P.M. ON 4 DECEMBER 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND

(B) 9.30 P.M. ON 4 DECEMBER 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined

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and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix A, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Right Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance (if any) payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or
 - (ii) the amounts as stated in Parts (A) and (B) of Section II in the ARE, Section II of the ARS and/or in any other application form for Rights Shares and/or Excess Rights Shares differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the Excess Rights Shares,

the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for the Rights Shares and Excess Rights Shares as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

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5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing addresses as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – Q & M Rights Issue Account**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #1-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**,

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent for the Rights Shares is effected by **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to the Entitled Depositors and the Purchasers, **BY ORDINARY POST AND AT THE ENTITLED DEPOSITORS' AND THE PURCHASERS' OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to their Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to the Securities Account of the Entitled Depositors and Purchasers (as the case may be). Entitled Depositors and Purchasers can verify the number of Rights Shares provisionally allotted and credited to their Securities Account online if they have registered for CDP Internet Access Service or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their telephone pin (T-Pin). Alternatively, they may proceed personally to CDP with their identity card or passport to verify the number of Rights Shares provisionally allotted and credited to their Securities Account.

It is the Entitled Depositors' and Purchasers' responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. The Entitled Depositors and Purchasers can check the status of their acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using their T-Pin.

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CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for the rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to the Entitled Depositors and Purchasers will be sent by **ORDINARY POST** to your mailing addresses as maintained in the records of CDP, and **AT THE ENTITLED DEPOSITORS' AND PURCHASERS' (AS THE CASE MAY BE) OWN RISK.**

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Company and the Financial Adviser (the "**Relevant Persons**") for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and form part of this Offer Information Statement:-

Renounceable PAL incorporating:-

Form of Acceptance	FORM A
Request for Splitting	FORM B
Form of Renunciation	FORM C
Form of Nomination	FORM D
Excess Rights Shares Application Form	FORM E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the enclosed PAL. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlement(s), if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Excess Rights Shares. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.

**THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/
APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**

Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contract made pursuant to this Offer Information Statement or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts.

Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete Form A of the PAL for the number of Rights Shares which they wish to accept and forward the PAL, in its entirety, together with payment in the manner hereinafter prescribed to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one person, should first, using Form B, request to

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

have their provisional allotments under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. The duly completed Form B together with the PAL, in its entirety, should be returned to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing Form C before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

An Entitled Scripholder who wishes to renounce his entire provisional allotment of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which he wishes to renounce and deliver the PAL in its entirety to the renounee(s).

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Unless acceptance and payment for the full amount due on acceptance in relation to PALs made in Singapore currency is in the form of a Banker's Draft or Cashier's Order drawn on a bank in Singapore and made payable to “**Q & M DENTAL GROUP (SINGAPORE) LIMITED – RIGHTS ISSUE**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the remittance is received by **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** by **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotments of Rights Shares not so accepted will be used to satisfy Excess Applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within 14 days after the Closing Date. **ACCEPTANCES ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE REJECTED.**

Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Form E of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **Q & M DENTAL GROUP (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE LTD), 80 ROBINSON ROAD, #02-00, SINGAPORE 068898** so as to arrive

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

not later than **5.00 p.m. on 4 December 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Articles of Association of the Company. Applications for Excess Rights Shares will, at the Directors' discretion, be satisfied from such Rights Shares as are not validly taken up, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders, the aggregated fractional entitlements and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason therefor.

If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application for Excess Rights Shares or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **by ORDINARY POST** and at the Entitled Scripholders' **OWN RISK**.

By completing and delivering the PAL, an Entitled Scripholder or a renounee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons for the Purposes, (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 4 DECEMBER 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used in respect of the acceptance and (if applicable) Excess Application for the Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositors or his renounee or the Purchaser who accepts the provisional allotment of Rights Shares who accepts or (as the case may be) applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application at the ATMs of that Participating Bank. The actions that the Applicant must take at ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE/ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance/application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and application for the Rights Shares and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd (SCCS), CDP, CPF, the SGX-ST, and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(4) of the Banking Act (Chapter 19), to the disclosure by that Participating Bank of the Relevant Particulars of his account with that Participating Bank to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the number of Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of provisionally allotted Rights Shares standing to the credit of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Shares accepted or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares by way of a ARE and/or a ARS (as the case may be) and/or by way of acceptance through the Electronic Application through the ATM, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares that the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Shares not exceeding the number of provisionally allotted Rights Shares that are standing to the credit of his Securities Account as at the Closing Date, and CDP, in determining the number of Rights Shares that the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances, whether by way of banker's draft or cashier's order accompanying the ARE and/or ARS by way of acceptance through the Electronic Application through the ATM.
- (6) If applicable, in the event that the Applicant applies for Excess Rights Shares by way of a ARE through CDP and by way of application through the Electronic Application through the ATM of a Participating Bank, CDP shall be authorized and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of application through Electronic Application through the ATM and by way of ARE. CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions for application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Shares, whether by way of banker's draft or cashier's order accompanying the ARE by way of application through Electronic Application through the ATM of a Participating Bank.
- (7) The Applicant irrevocably requests and authorises the Company to:
 - (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising there from) the application monies, should his Electronic Application for Rights Shares or Excess Rights Shares not be accepted, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
 - (c) return (without interest or any share of revenue or other benefit arising there from) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON**

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- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of the Company, CDP, or the Participating Banks), and any other events beyond the control of the Company, CDP, or the Participating Banks and if, in any such event, our Company, CDP, or the Participating Banks do not record or receive the Applicant's Electronic Application, or data relating to the Applicant's Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed **not** to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, or the Participating Banks for the purported acceptance of the Rights Shares accepted and (if applicable) Excess Rights Shares applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.**
- (11) Electronic Applications shall close at **9.30 p.m. on 4 December 2014** or such other time as the Directors may, in their absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy of such particulars. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the other Participating Banks that does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising there from) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 4 December 2014** or such later time or date as the Directors may, in their absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any amendment to this Offer Information Statement or replacement or supplemental document referred to in Section 241 of the SFA is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;

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- (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or acceptance of his application for Excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the relevant parties to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (17) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATMs, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) application or the surplus application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising there from within fourteen (14) days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at his own risk to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and
 - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (18) The Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotments of Rights Shares which he can validly accept, CDP and the Company are entitled and the Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Applicant has validly accepted, whether under the ARE(s) or any other form of application (including Electronic Application through an ATM) for the Rights Shares;

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- (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the Entitled Depositor's Securities Account which is available for acceptance; and
- (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Entitled Depositor.

The Applicant acknowledges that CDP's and/or the Company's determination shall be conclusive and binding on him.

- (19) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement 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 Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of **Q & M DENTAL GROUP (SINGAPORE) LIMITED**

NARAYANAN SREENIVASAN

DR. NG CHIN SIAU

DR. NG JET WEI

DR. ANG EE PENG RAYMOND

PROFESSOR TOH CHOOI GAIT

NG WENG SUI HARRY

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