



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration Number 200800507R)
(Incorporated in the Republic of Singapore)

**PARTIAL LIFTING OF COMPANY MORATORIUM
IN RESPECT OF DR. KELVIN KOH, DR. FELICIA KOH, DR. FOO MOOH THONG
AND HEALTH FIELD ENTERPRISES LTD**

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has approved the partial lifting of the Company Moratorium (as defined below) in respect of Dr. Kelvin Koh, Dr. Felicia Koh, Dr. Foo Mooh Thong and Health Field Enterprises Ltd.
- 1.2 The Company has earlier been informed by Quan Min Holdings Pte Ltd ("**QMH**") and Heritas Helios Investments Pte Ltd ("**Heritas**"), the Company's substantial shareholders, that they intend to undertake a vendor sale (the "**Vendor Sale**") of shares in the Company ("**Shares**"). Further details of the Vendor Sale are provided in paragraph 3 of this Announcement.
- 1.3 The Board has also been informed by Dr. Kelvin Koh, Dr. Felicia Koh, Dr. Foo Mooh Thong and Health Field Enterprises Ltd (the "**Moratorised Shareholders**") that they also intend to participate in the Vendor Sale. The Shares held by the Moratorised Shareholders are subject to moratorium imposed by the Company ("**Company Moratorium**") as follows:

<u>Name of Moratorised Shareholder</u>	<u>Agreement imposing Company Moratorium</u>	<u>Moratorium Period and number of shares subject to moratorium</u>
Dr. Kelvin Koh	Placement Agreement dated 27 December 2012 as amended by a supplemental agreement dated 26 May 2014	Up to January 2021 Entire shareholding in the Company
Dr. Felicia Koh	Placement agreement dated 27 December 2012 as amended by a supplemental agreement dated 26 May 2014	Up to January 2021 Entire shareholding in the Company
Health Field Enterprises Ltd	Sale and Purchase Agreement dated 3 December 2013 as amended by a supplemental agreement dated 12 February 2014	Up to November 2016 Entire shareholding in the Company

Dr. Foo Mooh Tong	Sale and Purchase Agreement dated 17 March 2014	Up to July 2019 Entire shareholding in the Company
-------------------	---	---

- 1.4 The Moratorised Shareholders requested the Board to consider partially lifting the Company Moratorium to allow them to participate in the Vendor Sale.

2. PARTIAL LIFTING OF COMPANY MORATORIUM

- 2.1 Upon deliberation and with the unanimous approval of all the independent directors of the Company, the Board has decided to approve the partial lifting of the Company Moratorium in respect of such number of Shares listed as Sale Shares in the table set out in paragraph 3.1 of this Announcement against the name of each Moratorised Shareholder for the following reasons:

- (i) The Moratorised Shareholders are either the Company's strategic investors or they have sold their businesses to the Company, for which a part of the consideration was paid in Shares. They were subject to the Company Moratorium to align their interests with that of the Company in the long term.
- (ii) It has been a part of the Company's acquisition strategy to acquire businesses with the consideration payable in cash and/or Shares. Issuance of Shares as consideration allows the Company to conserve cash and undertake larger acquisitions. Imposing moratorium on the consideration Shares allows the Company to align the interest of the principals of the acquired businesses to that of the Company.
- (iii) Strategic investors, like Dr. Kelvin Koh and Dr. Felicia Koh, have invested substantial amount of money in the Company and such money has been utilised by the Company to fund its growth plans.
- (iv) As QMH and Heritas are undertaking a Vendor Sale, it is in the Company's interest to allow these strategic investors and principals of acquired businesses to tag along proportionately to monetise some part of their investments. Otherwise, the Company may have difficulty in sourcing future strategic investors and future issuing of Shares as consideration and this will have an adverse effect on the Company's future growth.
- (v) The Company has issued Shares as part consideration for almost all its acquisitions. Allowing some of the earlier strategic investors and acquirees an opportunity to partially monetise their investments will make the use of Shares and moratoriums more acceptable in future acquisitions and will help the Company's growth trajectory.
- (vi) As disclosed in the table set out in paragraph 3.1 of this Announcement, the amount of Shares in relation to the lifting of the moratorium represents 8.12% of the total Shares held by the Moratorised Shareholders and 15.16% of the total Sale Shares in the Vendor Sale.
- (vii) The Vendor Sale will increase the free float and potentially increase liquidity of the Company's shares without further dilution for the Company's existing shareholders.

- 2.2 Dr. Ng Chin Siau, the Group Chief Executive Officer, Dr. Ng Jet Wei, the Deputy Chief Executive Officer and Dr. Ang Ee Peng Raymond, the Chief Operating Officer, being Shareholders of QMH are interested in the Vendor Sale. As such, they have not participated nor voted in the Board discussion on the partial lifting of the Company Moratorium.

3. VENDOR SALE

3.1 QMH has informed the Board that the Vendor Sale is proposed to be effected in the following proportions:

<u>Name of shareholder</u>	<u>Number of Shares held in the Company</u>	<u>Number of Shares to be sold ("Sale Shares")</u>	<u>Percentage of Sale Shares out of Shares held in the Company</u>
QMH	406,385,529	Up to 33,028,000	8.13%
Heritas	70,076,115	Up to 6,000,000	8.56%
Dr. Kelvin Koh	40,152,000	Up to 3,263,000	8.13%
Dr. Felicia Koh	17,208,000	Up to 1,398,000	8.12%
Health Field Enterprise Ltd	10,339,016	Up to 840,000	8.12%
Dr. Foo Mooh Thong	18,111,000	Up to 1,471,000	8.12%
Total	562,271,660	Up to 46,000,000	8.18%

3.2 The Board has been informed that due to time sensitivity, QMH will provide all the Sale Shares required to complete the Vendor Sale upfront. QMH has further informed the Board that it has entered into separate top-up agreements with each of the Moratorised Shareholders, whereby the Moratorised Shareholders have agreed to sell to QMH their part of the Sale Shares at the same price and on the same terms as those of the Vendor Sale, immediately after they are able to transfer the Shares pursuant to the lifting of the Company Moratorium.

3.3 The Vendor Sale will aim to place the Sale Shares to multiple investors and the intention is not to place to any one investor to cause it to become a substantial shareholder of the Company.

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

Vitters Sim
Chief Financial Officer
4 June 2015

For more information, please contact:

Legal Counsel

Andrew Young Tel: 6705 9888 Email: Andrew@gandm.com.sg.

Chief Financial Officer

Vitters Sim Tel: 6705 9888 Email: Vitters@gandm.com.sg.