



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

ACQUISITION OF BUSINESS ASSETS OF HO DENTAL SURGERY

1. INTRODUCTION

1.1 The Board of Directors (the **“Board”**) of Q & M Dental Group (Singapore) Limited (the **“Company”**) wishes to announce that pursuant to:

- (a) a binding points of agreement dated 13 May 2016 entered into between the Company and Dr. Ho Chuk Ping (the **“Vendor”**) (the **“POA”**); and
- (b) a sale and purchase agreement (**“SPA”**) dated 1 September 2016 entered into between Ho Dental Surgery (Marine Parade) Pte. Ltd. (**“HDS”**) and the Vendor,

the Company had on 1 September 2016 completed the acquisition of business assets used in the operations of Ho Dental Surgery located at Blk 57, Marine Terrace, #01-117, Singapore 440057 (the **“Business Assets”**) from the Vendor (the **“Acquisition”**).

1.2 HDS is a wholly owned subsidiary of the Company and incorporated on 1 September 2016. HDS was incorporated for the purpose of this Acquisition and has a registered capital of S\$1 comprising of 1 ordinary share.

2. INFORMATION ON HO DENTAL SURGERY

2.1 Background and Principal Activities of Ho Dental Surgery

Ho Dental Surgery is a sole proprietorship operated by the Vendor and is in the business of providing general and specialist dentistry services at a dental clinic located at at Blk 57, Marine Terrace, #01-117, Singapore 440057.

2.2 Net Tangible Assets of the Business Assets

Based on the unaudited management accounts of Ho Dental Surgery as at 30 April 2016, the net book value of the Business Assets was S\$41,251.

3. THE ACQUISITION

The salient terms of the Acquisition are set out below:

3.1 Purchase of the Sale Shares

The Company acquired the Business Assets for a total consideration of S\$1.70 million (the “**Purchase Consideration**”) to be paid in the following manner:

- (a) S\$1.364 million in cash to the Vendor; and
- (b) S\$336,000 worth of the Company’s shares at an issue price of S\$0.72 (amounting to 466,666 shares and referred to as the “**Consideration Shares**”) to the Vendor.

3.2 Purchase Consideration

The Purchase Consideration was arrived at after negotiations on a willing-buyer, willing-seller basis. In arriving at the Purchase Consideration, the Company has taken into account, *inter alia*, the current market conditions, the Vendor’s professional expertise and the strategic merits of the Proposed Acquisition.

3.3 Terms and Conditions

Moratorium

The Consideration Shares shall be subject to a 5-year moratorium period whereby the Vendor will not be allowed to sell, transfer, mortgage, charge, pledge, grant an option over, or otherwise dispose of or create any encumbrances over any of the Consideration Shares.

Service Agreement

The Vendor has signed a 8-year service agreement with the Company.

Profit Guarantee

The Vendor guarantees (the “**Profit Guarantee**”) that the audited net profits after taxation of [.] shall not be less than S\$1.155 million for the 5.5-year period commencing 1 September 2016 and ending on 28 February 2022.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Company’s plan to continue the expansion of its main dental business in Singapore.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

6. DISCLOSURE OBLIGATIONS

The Proposed Acquisition constitutes a “non-discloseable” transaction under Chapter 10 of the Listing Manual and copies of the POA and SPA are available for inspection by shareholders of the Company at the registered office of the Company at 81 Science Park Drive, #02-04, The Chadwick, Singapore Science Park 1, Singapore 118257 during normal business hours for a period of three (3) months from the date of this announcement.

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

Vitters Sim
Chief Financial Officer
3 September 2016

For more information please contact:

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