



Q & M DENTAL GROUP (SINGAPORE) LIMITED

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

PROPOSED SPIN-OFF OF THE COMPANY’S DENTISTRY AND DENTAL SPECIALIST SERVICES AND DENTAL EQUIPMENT AND SUPPLIES DISTRIBUTION BUSINESSES IN THE NORTHERN REGION OF THE PEOPLE’S REPUBLIC OF CHINA VIA THE PROPOSED LISTING OF ITS SUBSIDIARY, AOXIN Q & M DENTAL GROUP LIMITED, ON THE CATALIST BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED –

REGISTRATION OF FINAL OFFER DOCUMENT

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or the “**Directors**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) refers to its announcements (the “**Previous Announcements**”) dated 10 June 2016, 13 October 2016, 3 March 2017 and 31 March 2017 in relation to, *inter alia*, the proposed spin-off of the Company’s dentistry and dental specialist services and dental equipment and supplies distribution businesses in the Northern PRC Region (the “**Proposed Spin-off**”) via the proposed listing of its subsidiary, Aoxin Q & M Dental Group Limited (“**AQMD**” and together with its subsidiaries the “**AQMD Group**”) on the Catalist Board (the “**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Proposed Listing**”).
- 1.2. Unless otherwise stated, all capitalised terms used herein shall have the same meaning given to them in the Previous Announcements.

2. REGISTRATION OF THE FINAL OFFER DOCUMENT

- 2.1. The Board is pleased to announce that the final offer document (the “**Offer Document**”) of AQMD, in connection with the Proposed Listing, has today been registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.
- 2.2. In connection with the Proposed Listing, AQMD will be issuing an aggregate of 57,000,000 new shares in the capital of AQMD (the “**Placement Shares**”) for placement (the “**Placement**”) at the price of S\$0.20 per Placement Share. SAC Capital Private Limited (“**SAC**”) is the sponsor, issue manager and placement agent in respect of the Proposed Listing and the Placement.
- 2.3. The total number of issued shares of AQMD (the “**Shares**”) immediately after the Placement will be 355,815,638 Shares. On the basis of the Placement Price and the post-Placement issued and paid-up share capital AQMD, the market capitalisation of AQMD will be approximately S\$71.2 million. The Company will retain a shareholding interest in AQMD of approximately 45.94% immediately after the Placement.

- 2.4. Please refer to the Offer Document for more information on AQMD Group and the Placement. A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com and can be accessed through the following path:

Home > Company Information > Catalodge

3. FINANCIAL EFFECTS OF THE OFFERING

3.1. *Bases and Assumption*

The financial effects in this section are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Placement. These illustrative financial effects have been computed based on (a) the Group's latest announced unaudited consolidated financial statements for the full year ended 31 December 2016; and (b) the unaudited pro forma consolidated financial statements of AQMD for the nine (9) months ended 30 September 2016, as well as the following key assumptions:

3.1.1 as a result of the completion of the Proposed Restructuring as set out in the Company's announcement dated 3 March 2017, the Company's shareholding interest in AQMD has reduced from 100.0% to 54.70%. As a result of the Placement, the Company's shareholding interest in AQMD will be further diluted from 54.70% to 45.94% immediately after the Placement but before completion of the issue and allotment of 16,346,000 new Shares to Honour Pte. Ltd.;

3.1.2 AQMD will become an associated company instead of a subsidiary of the Company; and

3.1.3 expenses incurred in relation to the Proposed Listing are approximately S\$2.3 million.

3.2. *Share Capital*

As no new shares will be issued by the Company in connection with the Placement, the Placement will have no impact on the Company's issued and paid-up share capital.

3.3. *Net Tangible Assets ("NTA") Per Share*

	<u>Before Placement</u>	<u>After Placement</u>
NTA attributable to shareholders of the Company (S\$'000)	39,135	45,723
Number of shares ('000)	796,564	796,564
NTA per share (cents)	4.91	5.74

Notes:

(1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets

3.4. *Earnings Per Share ("EPS")*

	<u>Before Placement</u>	<u>After Placement</u>
Profit attributable to shareholders of the Company (S\$'000)	28,301	25,691

Weighted average number of shares ('000)	794,253	794,253
EPS (cents)	3.56	3.23

3.5. Gearing

	<u>Before Placement</u>	<u>After Placement</u>
Net borrowings as at 31 December 2016 (S\$'000)	40,688	47,620
Shareholder's equity (S\$'000)	114,683	100,871
Gearing (times)	0.74	0.84

Note:

(1) Net borrowing means total borrowings less cash and bank balances.

4. INDICATIVE TIMETABLE

An indicative timetable for the Proposed Listing and the Placement is set out below:

Indicative Date and Time	Event
18 April 2017 (immediately upon registration of the Offer Document)	Commencement of the Placement
24 April 2017, 12.00 noon	Close of application list (i.e. the list of applications for subscription of the Placement Shares)
26 April 2017, 9.00 a.m.	Commence trading on a "ready" basis
2 May 2017	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing of the application list is 24 April 2017, the date of admission of AQMD to Catalist is 26 April 2017, the SGX-ST's shareholding spread requirement will be complied with and the Placement Shares will be issued and allotted and fully paid-up prior to 9.00 a.m. on 26 April 2017. **The actual date on which the Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedure may be subject to such modifications as the SGX-ST may in its discretion decide, including the decision to permit commencement of trading on a "ready" basis and the commencement date of such trading.

Investors should consult the SGX-ST's announcement on the "ready" trading date on the internet (at the SGX-ST's website <http://www.sgx.com>) or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

In the event of any changes in the closure of the application list or the time period during which the Placement is open, AQMD will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and
- (b) in a major English language newspaper in Singapore, such as The Straits Times or The Business Times.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Spin-Off and the Proposed Listing, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which will make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

7. IMPORTANT NOTICE

This announcement does not constitute an offer, invitation to purchase or subscribe for or solicitation of the Shares in Singapore or any jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The information in this announcement is qualified in its entirety by, and is subject to, the more detailed information set out in the Offer Document. The information presented in this announcement is subject to change. Copies of the Offer Document may be obtained, subject to availability, from SAC. Anyone wishing to subscribe for the Placement Shares should read the Offer Document before deciding whether to subscribe for the Placement Shares and will need to make an application in the manner set out in the Offer Document. Any decision to subscribe for the Placement Shares should be made solely on the basis of information contained in the Offer Document and no reliance should be placed on any information other than that contained in the Offer Document.

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

Vitters Sim
Chief Financial Officer
18 April 2017