



**Q & M DENTAL GROUP ANNOUNCES
PROPOSED ACQUISITIONS OF 8 DENTAL CLINICS
LOCATED ISLAND WIDE**

- Total consideration of S\$20.30 million payable in cash and Q & M shares (S\$10.85 million in cash and S\$9.45 million in shares)
- Total Profit Target / Guarantee amounts to approximately S\$16.10 million
- Key dentists in charge to sign long term service agreements

Singapore, 12 May 2015 – Q & M Dental Group (Singapore) Limited (“Q & M” or the “Group”), a leading private dental healthcare group based in Singapore, has announced that the Group has entered into 3 separate points of agreements with:

- (a) Dr. Yap Yi Roon (“**Dr. Yap**”), Ms Lam Lay See Amanda, Dr. Lim Eng Yong (“**Dr. Lim**”) and Dr. Lim Lillie for the proposed acquisition of 100% of the shareholding of Orchard Scotts Dental and the De Pacific Dental Group of clinics currently located at Ang Mo Kio, Balestier, Jurong West and Pasir Ris (“**Orchard Scotts Dental Clinic and De Pacific Dental Group**”) for a consideration of S\$12.50 million out of which half of the consideration will be paid in cash whilst the remaining half will be paid by way of an issuance of Q & M’s shares at an issue price of S\$0.711 per share (being a 10% discount to the volume weighted price of trades done on 8 May 2015) (the “**Issue Price**”);
- (b) Dr. Chong Tuck Fung (“**Dr. Chong**”) and Dr. Mok Tong Bee (“**Dr. Mok**”) for the proposed acquisition of 100% of the shareholding of Tiong Bahru Dental Surgery Pte Ltd and Bright Smile Dental Surgery Pte Ltd (“**Tiong Bahru Clinics**”) for a consideration of S\$3.80 million out of which S\$2.60 million will be paid in cash whilst the remaining \$1.20 million will be paid by way of an issuance of Q & M’s shares at the Issue Price; and

- (c) Dr. Tan Hwee Hiang (“**Dr. Tan**”), Dr. Teh Kiat Seong (“**Dr. Teh**”), Mr. Tan Tiang Fo Gerard and Mdm Chua Boon Keow for the proposed acquisition of 100% of Aesthetics Dental Surgery located and operating in Park Mall (along Penang Road) (“**Aesthetics Dental Surgery**”) for a consideration of S\$4 million out of which half of the consideration will be paid in cash whilst the remaining half will be paid by way of an issuance of Q & M’s shares at the Issue Price.

Profit Target / Guarantee

Dr. Yap and Dr. Lim have agreed to provide a total profit target of S\$9,910,355 for a total of 10 years from the Orchard Scotts Dental Clinic and De Pacific Dental Group, the breakdown is as follows:

- (a) 1 January 2015 – 31 December 2015: S\$700,000
- (b) 1 January 2016 – 31 December 2016: S\$770,000
- (c) 1 January 2017 – 31 December 2017: S\$847,000
- (d) 1 January 2018 – 31 December 2018: S\$931,700
- (e) 1 January 2019 – 31 December 2019: S\$1,024,870
- (f) 1 January 2020 – 31 December 2020: S\$1,127,357
- (g) 1 January 2021 – 31 December 2021: S\$1,127,357
- (h) 1 January 2022 – 31 December 2022: S\$1,127,357
- (i) 1 January 2023 – 31 December 2023: S\$1,127,357
- (j) 1 January 2024 – 31 December 2024: S\$1,127,357

Dr. Chong has agreed to provide a profit target of S\$1 million every 2 years for a total of 6 years which amounts to a total profit target of S\$3 million from the Tiong Bahru Clinics.

Dr. Tan and Dr. Teh severally guarantees that the profits of Aesthetics Dental Surgery shall not be less than S\$400,000 every year for a total of 8 years which amounts to a total profit guarantee of not less than S\$3.2 million.

Service Agreements

Dr. Yap and Dr. Lim have agreed to each sign a 10-year service agreement with the Group.

Dr. Chong and Dr. Mok have agreed to each sign a 6-year service agreement with the Group.

Dr. Tan and Dr. Teh have agreed to each sign an 8-year service agreement with the Group.

Dr. Ng Chin Siau, Group CEO of Q & M said: “We are delighted to welcome our new partners into the Q & M family and would also like to take this opportunity to thank them for believing in Q & M. We believe that the mergers are central to our future ambition, and to bringing our shared vision – To provide quality and accessible dental healthcare – to more people.”

Drs. Jerry Lim Eng Yong and Ronnie Yap Yi Roon, the founders of Orchard Scotts Dental Clinic and De Pacific Dental Group said: “With Q & M’s extensive business network and platform, we see tremendous synergy and growth potential in this merger as it will allow us to launch our aesthetic dental treatment and therapy both locally and regionally. Our goal is to inspire our patients to smile confidently, to feel and live better. We believe this complements very well with Q & M vision for dental healthcare.”

“Aesthetics Dental Surgery is excited and proud to be part of the Q & M family. Together we hope to combine cutting edge technology and clinical expertise into better services for our patients”, said **Dr. Tan Hwee Hiang of Aesthetics Dental Surgery**.

These latest acquisitions follows Q & M’s announcement in April 2015 of the proposed acquisition of TP Dental Surgeons Pte Ltd for a total consideration of S\$28.60 million. Upon completion of all these acquisition, Q & M will have 69 dental clinics located island wide and will also see an increase in its team of dentists from approximately 180 to 225 dentists

Information on Orchard Scotts and De Pacific Dental Group

Founded in the years 2007 and 2000 respectively, Orchard Scotts Dental Clinic is a practice leader in the dental aesthetics industry that provides total solutions on smiles makeovers, gummy smiles and teeth whitening and has also been the official dentist for Miss Universe Singapore since 2009 whilst the De Pacific Dental Group of clinics uses a comprehensive range of modern dental art technology in the dental clinics to provide a full range of affordable outpatient dental services without any compromise on quality.

Orchard Scotts Dental Clinic is located in a prime location (Wheelock Place along Orchard Road) and the De Pacific Dental Group of clinics are located at convenient and easily accessible locations (Ang Mo Kio, Balestier, Jurong West and Pasir Ris) to ensure that affordable and quality dental outpatient services are brought to the heartlands.

For more information on Orchard Scotts and De Pacific Dental Group, please visit:

<http://www.orchardscottsdental.com/>

<http://www.depacific.com/>

Information on Tiong Bahru Dental Clinic and Bright Smile Dental Clinic

Tiong Bahru Dental Clinic and Bright Smile Dental Clinic are dental clinics located in Tiong Bahru offering private general dentistry and orthodontics services.

For more information on Tiong Bahru Dental Clinic, please visit:

<http://www.tiongbahrudental.com/>

Information on Aesthetics Dental Surgery

Founded in 1999, Aesthetics Dental Surgery is a dental clinic located and operating inside Park Mall (along Penang Road), providing private general dentistry services with a strong focus on orthodontics and prosthodontics services.

For more information on Aesthetics Dental Clinic, please visit:

<http://www.aestheticsdental.com/>

This news release is to be read in conjunction with the Group's respective announcements relating to the proposed acquisition of Orchard Scotts and De Pacific Dental Group, Tiong Bahru and Bright Smile Dental Clinic and Aesthetics Dental Clinic posted on SGXNET on 12 May 2015.