



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200800507R)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 142,370,582 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF Q&M DENTAL GROUP (SINGAPORE) LIMITED (THE “COMPANY”) AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARES, 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 TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”) –

- (A) **RECEIPT OF APPROVAL-IN-PRINCIPLE FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED.**
- (B) **ADJUSTMENTS TO THE CALL OPTION SHARES.**
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) refers to the following announcements of the Company:

- (a) the announcement dated 30 June 2014 in relation to the proposed Rights Issue;
- (b) the announcement dated 14 July 2014 in relation to the receipt by the Company of an irrevocable undertaking dated 11 July 2014 from Heritas Helios Investments Pte. Ltd.; and
- (c) the announcement dated 29 September 2014 in relation to the update on the number of Rights Shares,

(collectively the “**Previous Announcements**”).

Unless otherwise defined herein, capitalised terms in this Announcement shall have the meaning given to them in the Previous Announcements.

2. RECEIPT OF APPROVAL-IN-PRINCIPLE

2.1 Further to the Previous Announcements, the Board is pleased to announce that approval-in-principle (the “**AIP**”) has been obtained from the SGX-ST on 21 October 2014 in respect of the dealing in, listing of and quotation for:

- (a) up to 142,370,582 Rights Shares at the Issue Price for each Rights Share; and

- (b) up to 9,410,127 Adjustment Shares (as defined below) (in the event the 63,000,000 Call Option Shares are not exercised by Heritas Helios Investments Pte. Ltd. on or prior to the Book Closure Date and the Rights Issue is completed),

on the Official List of the SGX-ST.

2.2 The AIP granted by the SGX-ST is subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) submission of:
 - (i) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 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;
 - (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 the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

2.3 The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Adjustment Shares, the Company and/or its subsidiaries.

3. BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining the entitlements of Shareholders under the Rights Issue will be announced in due course.

4. ADJUSTMENTS TO THE CALL OPTION SHARES

4.1 Assuming that the approval of the Shareholders is obtained for the allotment and issuance of the Call Option Shares, the Company will, as a result of the Rights Issue, be required to make adjustments to the number of Call Option Shares and the minimum issue price per Call Option Share under the terms and conditions of the call option agreement dated 24 May 2014 entered into by the Company with Heritas Helios Investments Pte. Ltd., as amended by a supplemental agreement dated 22 September 2014 (the "**Call Option Agreement**"). Pursuant thereto, the adjustments are as follows:

(a) the number of Call Option Shares will be adjusted by 9,410,127 Call Option Shares (the “**Adjustment Shares**”), from 63,000,000 Call Option Shares to 72,410,127 Call Option Shares; and

(b) the minimum issue price per Call Option Share will be adjusted from S\$0.48 to S\$0.4176,

in the event the Call Option is not exercised in full by Heritas Helios Investments Pte. Ltd. on or prior to the Books Closure Date.

4.2 As required by the terms of the Call Option Agreement, the independent auditors have on 25 September 2014 certified that the above adjustments have been made in accordance with the terms of the Call Option Agreement.

4.3 Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the date of the closing of the Rights Issue.

4.4 The Adjustment Shares, will, upon allotment and issue, 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 before the date of issue of the Adjustment Shares.

BY ORDER OF THE BOARD
Q & M DENTAL GROUP (SINGAPORE) LIMITED

Dr. Ng Chin Siau
Group Chief Executive Officer
23 October 2014