

INCREASE IN SHAREHOLDING IN A SUBSIDIARY, Q & M LABORATORY & MARKETING PTE. LTD.

1. THE ACQUISITION

- 1.1 The Board of Directors of Q & M Dental Group (Singapore) Limited (the "**Company**") wishes to announce that the Company has on 29 January 2010 entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Kadir Mualim (the "**Vendor**") pursuant to which the Company acquired (the "**Acquisition**") all of the Vendor's ordinary shares in the share capital of Q & M Laboratory & Marketing Pte. Ltd. (Company Registration No. 200413981D) ("**QMLM**"), comprising 33,600 ordinary shares and representing 24 per cent. of the issued and paid-up capital of QMLM (the "**Sale Shares**").
- 1.2 QMLM is a company incorporated in Singapore. As at the date of the Sale and Purchase Agreement, QMLM has an issued and paid-up share capital of S\$140,000 comprising of 140,000 ordinary shares. Prior to the Acquisition, the Company owned the remaining 106,400 ordinary shares, representing 76 per cent. of the issued and paid-up capital of QMLM. As a result of the Acquisition, QMLM is now a wholly-owned subsidiary of the Company.
- 1.3 As part of the Acquisition, the Vendor has resigned as a director of QMLM. The remaining directors of QMLM are Messrs Ng Chin Siau, Raymond Ang Ee Peng, Wong Dai Chong, Ng Jet Wei and Chong Kai Chuan, all of whom are directors, executive officers or employees of the Company.
- 1.4 The Acquisition does not constitute a transaction under Chapter 10 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited as it is deemed to be in the ordinary course of the Company's business.

2. CONSIDERATION FOR THE ACQUISITION

The consideration for the Acquisition is S\$33,600 (the "**Consideration**"). The Consideration was arrived at on a willing buyer and willing seller basis, taking into consideration the amount of paid-up capital represented by the Sale Shares and the opportunity for the Company to consolidate its shareholding interests in QMLM. The Consideration was paid in cash and was funded internally.

3. RATIONALE FOR THE ACQUISITION

QMLM currently fabricates dental prosthesis such as crowns, bridges, dentures and retainers. It is the only entity within the Q & M Dental group of companies (the "**Q & M Group**") which is not a wholly-owned subsidiary. The Directors believe that the Acquisition provides an opportunity to further rationalise the Group's structure, eliminate any potential conflicts of interests and allow the Company to strengthen the control over QMLM. This will enable the Company to create greater synergy in the operations of both companies.

4. FINANCIAL INFORMATION REGARDING QMLM

Based on the latest available audited financial statements of QMLM for the financial year ended as at 31 December 2008, the net tangible asset value of the Sale Shares is approximately S\$11,000 and the net loss attributable to the Sale Shares is approximately S\$17,000.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest in the Acquisition save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

On Behalf of the Board

Dr Ng Chin Siau
Executive Director
29 January 2010

The initial public offering of the Company's shares was sponsored by Collins Stewart Pte. Limited.