



Q & M Dental Group (Singapore) Limited
(Company Registration Number: 200800507R)

SALE OF 1% ISSUED SHARE CAPITAL IN Q & M DENTAL GROUP (CHINA) PTE. LTD.

1. THE TRANSACTION

- 1.1 The Board of Directors ("**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to (a) the announcement made on 31 March 2010 titled "Q & M Dental Group Appoints CEO for its Subsidiary to Spearhead Expansion Plans in the PRC" ("**31 March Announcement**") and (b) the announcement made on 31 March 2010 titled "Announcement of Appointment Of Chief Executive Officer of Q & M Dental Group (China) Pte Ltd".

Further to the above announcements, the Board wishes to announce that in connection with the appointment of Dr Cheah Kim Fee ("**Dr Cheah**") as Chief Executive Officer of Q & M Dental Group (China) Pte Ltd ("**QMDGC**") as at 1 April 2010, Dr Cheah has entered into a sale and purchase agreement dated 1 April 2010 with the Company to purchase 12,500 ordinary shares in the share capital of QMDGC ("**Sale Shares**"), representing one (1) per cent. of the issued and paid-up capital of QMDGC, for a cash consideration of S\$200,000 (the "**Transaction**").

In this connection, the Board wishes to make a clarification in respect of the 31 March Announcement. In the 31 March Announcement, due to an inadvertent oversight, it was stated: "*Dr Cheah has purchased an equity interest of 1.0% in QMDGC from the Group for a cash consideration of S\$200,000*". The Board wishes to clarify that Dr Cheah had entered into the Transaction on 1 April 2010 and not on 31 March 2010.

- 1.2 QMDGC is a company incorporated in Singapore on 6 May 2008. It is an investment holding company that was set up to execute the Group's plans of expanding its dental healthcare services into the People's Republic of China ("PRC"). As at the date hereof, QMDGC has an issued and paid-up share capital of S\$100,000 comprising of 1,250,000 ordinary shares. Prior to the Transaction, QMDGC was a wholly-owned subsidiary of the Company. As a result of the Transaction, the Company's shareholding in QMDGC will decrease from 100 per cent to 99 per cent. QMDGC remains a subsidiary of the Company after the Transaction.
- 1.3 The Transaction does not constitute a transaction under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited as it is entered into in connection with the appointment of Dr Cheah as Chief Executive Officer of QMDGC, as further explained in paragraph 3 and the appointment of Dr Cheah is in the ordinary course of the Company's business.

2. CONSIDERATION FOR THE DISPOSAL

The consideration for the Disposal is S\$200,000 (the "**Consideration**"). The Consideration was arrived at on a willing buyer and willing seller basis taking into account, *inter alia*, the future business prospects of QMDGC. The Consideration was paid in cash.

3. RATIONALE FOR THE DISPOSAL

The Transaction is made in connection with the appointment of Dr Cheah as Chief Executive Officer of QMDGC as it will align Dr Cheah's interests with QMDGC. As stated in the 31 March Announcement, the Transaction demonstrates Dr Cheah's commitment to the Group and his conviction in the positive prospects of the private dental healthcare market in the PRC.

4. FINANCIAL INFORMATION REGARDING QMDGC

Based on the latest available audited financial statements of QMDGC for the financial year ended as at 31 December 2009, the net tangible asset value of the Sale Shares is approximately negative \$99.34 and the net loss attributable to the Sale Shares is approximately S\$1,099.34.

QMDGC has not been generating any income but has been incurring operating expenses given that it has so far been looking into potential investments and has not entered into any investments.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest in the Transaction 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
5 April 2010

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

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