



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

PROPOSED ACQUISITION OF 100% SHAREHOLDING IN DENTMEDIX PTE. LTD.

1. THE PROPOSED ACQUISITION

- 1.1 The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") is pleased to announce that Q & M Laboratory & Marketing Pte. Ltd. ("**QLab**"), a wholly-owned subsidiary of the Company, has on 30 September 2010 entered into a sale and purchase Agreement (the "**S&P Agreement**") with Mr. Michael Leong Phark Guan ("**LPG**") and Mr. Leong Zhi Yong (collectively, the "**Vendors**"), for the acquisition (the "**Proposed Acquisition**") of 2 issued ordinary shares (the "**Sale Shares**"), representing 100% of the issued and paid up share capital of Dentmedix Pte. Ltd. ("**Dentmedix**"), for a cash consideration of S\$50,000 (the "**Consideration**").
- 1.2 Under the terms of the S&P Agreement, in consideration for the receipt of the Good Distribution Practice for Medical Devices (the "**GDPMDS**") initiated by the Centre for Medical Device Regulation, Health Products Regulation Group, Health Sciences Authority of Singapore ("**HSA**") and the registration of products in compliance with the requirements of HSA, QLab shall reimburse to the Vendors the costs incurred by the Vendors in applying for the GDPMDS and such registration of products, subject to a maximum of S\$12,000.
- 1.3 In connection with the Proposed Acquisition, QLab, as assisted by the Vendors, had conducted a stock take on the dental equipment, supplies and consumables held in the name of Dentmedix (the "**Inventory**"). Subject to the terms and conditions of the S&P Agreement, QLab shall reimburse to the Vendors such amount equivalent to the cost of the Inventory on completion of the S&P Agreement.
- 1.4 In connection with the Proposed Acquisition, LPG shall enter into a service agreement with Dentmedix, on terms satisfactory to QLab, for a period of one (1) year commencing from the date of the S&P Agreement.
- 1.5 The Proposed Acquisition does not constitute a transaction under Chapter 10 of 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. INFORMATION ON DENTMEDIX

Dentmedix is a private company limited by shares incorporated in Singapore and carries on the business of importing and distributing dental equipment, supplies and consumables in Singapore.

3. CONSIDERATION

The Consideration was arrived at on a willing buyer and willing seller basis, taking into account the paid up capital and the future prospects of Dentmedix. The Group intends to finance the Consideration using its internal funds.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Group operates the largest chain of private dental clinics in Singapore. The expansion into the business of distributing dental products and equipment through the Proposed Acquisition is complementary to the Group's core business. The Group will be able to enjoy cost savings for its dental clinics through lower cost for consumables and supplies and generate additional revenue through the business of Dentmedix.

5. FINANCIAL INFORMATION

Based on the latest available management accounts of Dentmedix for the financial year ended as at 31 December 2009, the net tangible asset value of the Sale Shares is approximately S\$31,390.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest in the Proposed 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
30 September 2010

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