



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

PROPOSED ACQUISITION OF 100% SHAREHOLDING IN QUANTUMLEAP HEALTHCARE 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 22 June 2011 entered into a sale and purchase agreement (the "**S&P Agreement**") with Yau Geok Boey, for the acquisition (the "**Proposed Acquisition**") of 100 issued ordinary shares (the "**Sale Shares**"), representing 100% of the issued and paid-up share capital of Quantumleap Healthcare Pte. Ltd. ("**QHPL**"), for a cash consideration of S\$50,000 (the "**Consideration**").
- 1.2 QLab has completed the due diligence exercise in respect of QHPL and is satisfied with the due diligence results. The date of completion of the Proposed Acquisition (the "**Completion**") is proposed to be 28 June 2011. Upon Completion of the Proposed Acquisition, QHPL shall become a wholly-owned subsidiary of the Company.
- 1.3 Yau Geok Boey will remain as the director of QHPL and enter into a service contract with QHPL for a period of 2 years beginning from the date of Completion.
- 1.4 Under the S&P Agreement, Yau Geok Boey warrants that all records provided to the QLab are true and accurate and will indemnify QLab in the event of breach of any of the warranties set out in 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 QHPL

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

3. CONSIDERATION

The Consideration was arrived at on a willing buyer and willing seller basis, taking into account the book value of the Sale Shares which is S\$84,000 as at 31 December 2010 and the future prospects of QHPL. Based on the management accounts of QHPL for the financial

year ended as at 31 December 2010, the net tangible asset value of the Sale Shares is approximately S\$84,000.

The Consideration will be payable in five (5) tranches of \$10,000 each commencing from the date of Completion and monthly thereafter by cash. 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 equipment and supplies in Singapore 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 supplies and equipment and generate additional revenue through the business of QHPL.

5. 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
Group Chief Executive Officer
22 June 2011

About Q & M Dental Group

Q & M Dental Group [QNM SP / QMDT.SI] is a growing private dental healthcare group in Asia. The Group operates the largest network of dental outlets in Singapore and is building its presence in the People's Republic of China ("PRC") and Malaysia.

Founded in 1996, Q & M Dental Group has built an established brand through its reputation as a reliable provider of quality dental healthcare services. In Singapore, the Group has 41 dental clinics strategically located island-wide, two dental centres and one mobile dental clinic. It also owns a dental supplies and equipment distribution company. The Group has a team of more than 130 experienced dentists, supported by over 300 clinic support staff, to provide quality service to its patient pool of more than 400,000 island-wide.

Q & M Dental Group is presently executing plans to expand its presence in the overseas markets. To-date, the Group has invested in two dental healthcare groups in the PRC that operate a total of seven dental clinics, one dental centre and a mobile dental clinic in Beijing and Nanjing cities. It also has a 70% stake in a dental practice in Johor, Malaysia that operates 2 dental clinics.
