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**Q & M PLANS TO BUY STAKE IN A MAJOR DENTAL HOSPITAL GROUP IN SHANXI, THE PRC**

- **Signs letter of intent for proposed joint venture with Shanxi-based dental group, which owns and operates 2 dental hospitals, 6 clinics and a dental laboratory**

**Singapore, 10 August 2011** – Mainboard-listed **Q & M Dental Group (Singapore) Limited** (“Q & M” or the “Group”), a growing private dental healthcare group in Asia, is proposing to form a joint venture (“Proposed Joint Venture”) with Shanxi Meiyuan Medical Technology Co., Ltd (“SMM”), which owns and operates two dental hospitals, six dental clinics and a dental laboratory in Shanxi Province, the People’s Republic of China (“PRC”).

The Group today said it has signed a Letter of Intent with SMM to cooperate towards implementing the Proposed Joint Venture, which will lead to its wholly-owned subsidiary, Q & M Dental Holdings (China) Pte Ltd, taking an equity stake in SMM. The equity interest and consideration are to be determined at a later stage following the results of the Group’s due diligence investigations, audit and valuation of SMM.

This Proposed Joint Venture for a combined entity with clinics, hospitals and laboratories, will be a major step in the Group’s plans to expand its presence in the PRC. Previously, the Group has entered into separate partnerships with dental clinics and Proposed Joint Ventures with dental laboratories.

SMM owns and manages the Shanxi Red Cross Stomatological Hospital, which has 69 dental chairs, and the Datong Meiyuan Dental Hospital, which has 33 dental chairs. These two hospitals have a combined floor space of 8,300 square metres (“sq m”). SMM also has 35 dental chairs at its six clinics.

The Shanxi Red Cross Stomatological Hospital is a PRC Government Medical Insurance accredited institution that offers a full range of specialist dental healthcare services, including orthodontics, periodontics, oral and maxillofacial surgery, paedodontics, prosthodontics and endodontics. It is also a well-known teaching hospital with about 30 dentists holding Master of Dentistry degrees and 2 dentists who hold PhD qualifications.

SMM employs approximately 138 dentists, 125 nurses, 78 administrative staff and 101 logistics support personnel at its hospitals and clinics, which have approximately 121,000 patient visits each year.

In addition, SMM owns a subsidiary that operates a 1,588 sq m dental laboratory which focuses on processing and manufacturing of dental prosthesis, like crowns, bridges and orthodontics appliances. Manned by 150 dental technicians, the laboratory produces about 120,000 units per year.

**Said Dr Ng Chin Siau, CEO of Q & M**, “This is an exciting move for Q & M as we believe the Proposed Joint Venture with SMM could potentially be the major catalyst to our expansion in the PRC’s growing private dental healthcare market. Besides extending our presence there, this Proposed Joint Venture, when completed, shall bring the Group another step closer to realising our goal of achieving a combined profit of RMB80 million for our PRC joint ventures.

We foresee taking not more than 50% equity stake in SMM, but the final decision will depend on the valuation results and our discussions with the vendors.

We believe that Q & M's cooperation with reputable dental healthcare service providers and laboratories in the PRC should produce operational synergies. This includes the transfer of expertise to dentists in the PRC to enhance our partners' revenue and profitability, and leveraging on the dental laboratories to support the Group's dental clinics."

**Said Mr Ji Xinjiang, the Chairman of the Board of SMM,** "SMM's cooperation with Q & M will create an international platform for dentists of both parties to benefit from the sharing of technical expertise. We expect our medical service standards to be raised to a new level by the integration, innovation and comparative advantages of our combined medical management experiences. The parties' sincere and all-round cooperation will definitely result in our dental healthcare business growing stronger and stronger."

Subject to the results of the due diligence investigations being satisfactory to QDHC, the parties shall arrange for the execution of the definitive agreements relating to the Proposed Joint Venture in a timely manner. The Group will also keep shareholders updated on any new and significant developments relating to the Proposed Joint Venture.

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**About Q & M Dental Group (全民牙医集团(新加坡)有限公司)**

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 42 dental clinics strategically located island-wide, two dental centres and one mobile dental clinic. It also owns two dental supplies and equipment distribution companies. 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 eight 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 two dental clinics.

The Group was listed on the Main Board of the SGX-ST on 26 November 2009. For further information on Q & M Dental Group, please visit the Group's website at [www.QandMDental.com.sg](http://www.QandMDental.com.sg)

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**About Shanxi Meiyuan Medical Technology Co., Ltd ("SMM")**

SMM is a limited liability company in the PRC which owns, manages and operates the Shanxi Red Cross Stomatological Hospital, the Datong Meiyuan Dental Hospital, six dental clinics and a dental laboratory in Shanxi, the PRC.

The Shanxi Red Cross Stomatological Hospital ([www.hszkq.cn](http://www.hszkq.cn)) was set up in 1956 as the first large-scale dental hospital in Shanxi. Today, Shanxi Red Cross Stomatological Hospital is a modern integrated dental hospital and a PRC Government Medical Insurance accredited institution. It offers multi-disciplinary dental healthcare services, complemented by dental research and dental laboratories.

The Shanxi Red Cross Stomatological Hospital and Datong Meiyuan Dental Hospital have a combined floor space of 8,300 sq m. In total, SMM's two hospitals and six clinics have 137 dental chairs and are staffed by approximately 138 dentists, 125 nurses, 78 administrative staff and 101 logistics support personnel.

In addition, SMM owns Shanxi Meiyuan Dental Equipment Co., Ltd which operates a 1,588 sq m dental laboratory that processes and manufactures dental prosthesis, such as crowns, bridges and orthodontics appliances. It employs 150 dental technicians.

SMM's operations are based in Taiyuan city, which is the capital of Shanxi Province. Taiyuan is one of the 22 major cities of China and has a population of 3.4 million people. The pillar industries of Taiyuan are metallurgy, machinery, chemicals and coal. Taiyuan has the largest production bases for specialty steel and coking coal, as well as coal processing bases in China. The GDP of Taiyuan in 2010 rose 11% to RMB177.8 billion.