



Q & M Proposes to Buy 60% Stake in Shanghai Dental Clinic

- Signed a binding MOU to acquire 60% equity interest in Shanghai Chuangyi Investment and Management Co Ltd (SCIM) for RMB8.4375 million (approximately S\$1.6875 million)
- SCIM owns and operates “Alpha Dental” clinic in Shanghai
- Proposed Joint Venture with SCIM will pave the way for the set-up of new “Q & M” dental clinics in Shanghai

Singapore, 8 November 2011 – Mainboard-listed **Q & M Dental Group (Singapore) Limited** (“Q & M” and together with its subsidiaries, the “Group”), a growing private dental healthcare group in Asia, today announced plans to buy a 60% stake in a dental clinic in Shanghai, **Alpha Dental**, through a proposed joint venture with Shanghai Chuangyi Investment Management Co. Ltd. (“SCIM”) (“Proposed Joint Venture”).

On 7 November 2011, the Group’s wholly-owned subsidiary, Q & M Dental Holdings (China) Pte. Ltd. (“QDHC”), entered into a binding memorandum of understanding with the shareholders of SCIM (“Shareholders”) to acquire 60% of their shareholding in SCIM.

SCIM owns and operates Alpha Dental, which is a 6-chair dental clinic located in Hongqiao Road, Changning, Shanghai, China.

Subject to the valuation results of SCIM and its subsidiaries, the consideration payable for the equity shares in SCIM shall be RMB8.4375 million (approximately S\$1.6875 million). At the same time, the Shareholders will also inject RMB4.21875 million into SCIM in the form of interest-free shareholders’ loan.

Pursuant to the terms of the Proposed Joint Venture, the Shareholders shall provide a **10-year profit undertaking** to QDHC. According to the schedule of profit targets, the net profit of SCIM in the first year from the date of completion of the Proposed Joint Venture shall be at least RMB1.5 million. The minimum net profit shall increase by 5% per annum to reach RMB1.824 million in the fifth year. The profit target for the remaining five years is set at a minimum of RMB1.915 million per annum.

The Shareholders have agreed that QDHC shall have priority right to dividends amounting to 60% of the profit targets for a period of 10 years, and that they shall be responsible for any shortfall in the profit targets.

Said Dr Ng Chin Siau, Group CEO of Q & M, “Our proposed acquisition of Alpha Dental clinic will serve as an important platform for us to set up wholly-owned Q & M dental clinics in Shanghai. Being one of the most affluent cities in China, Shanghai has a sizeable market for high quality private dental healthcare services. With our strong track record, we are confident of our ability to address the growing demand for high quality private dental healthcare services from the local and expatriate community in Shanghai.

By setting up wholly-owned Q & M dental clinics, we are looking to enhance the Group’s share of future contributions from its operations in China, and achieve greater value for our shareholders. The planning and preparations for our first Q & M dental clinic in Shanghai are presently underway.”

Q & M has already established its presence in Beijing and Nanjing through its joint venture dental outlets. With the addition of Shanghai, the Group believes Q & M will be in a stronger position with operations in three major cities in China. To-date, the Group has also lined up several other strategic deals, including proposed joint ventures with a major dental hospital group in Shanxi and three dental laboratory groups.

“The amalgamation of all our proposed deals in China will enable Q & M to build a significant business in the country’s private dental healthcare industry. We believe this will bring the Group closer to our target for our joint-ventures there to achieve a combined profit base of RMB80 million within the next five years,” Dr Ng said.

QDHC shall be conducting due diligence investigations, audit and a valuation on SCIM and its subsidiaries. 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.

None of the Directors or controlling shareholders of the Q & M has any interest in the Proposed Joint Venture save for their interests arising by way of their shareholdings and/or directorships, as the case may be, Q & M.

This news release is to be read in conjunction with the Group’s announcement posted on the SGX website on 8 November 2011.

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 45 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 140 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