



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration No. 200800507R)

**PROPOSED ACQUISITION OF DENTAL PRACTICE IN
KUALA LUMPUR MALAYSIA**

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 Dental Group (Malaysia) Sdn Bhd ("QDGM"), a wholly owned subsidiary of the Company ("the Purchaser") has on 18th January 2012 entered into a binding Memorandum of Understanding ("MOU") with Dr Rueben Axel How Wee Ming ("Dr Rueben") to acquire 80% of the issued and paid up capital in a new company ("New Co") to be set up by Dr Rueben.

1.2 Dr Rueben shall transfer assets valued at Ringgit 400,000 from his current sole proprietorship known as "White Smile Orthodontic Dental Braces Specialist Clinic" ("the Practice") located in Kuala Lumpur, Malaysia to the New Co. He will also transfer all existing patients from his Practice to the New Co and shall practice exclusively at the New Co for a period of two (2) years. The Purchaser shall acquire 80% of the issued and paid up share capital of the New Co ("Share Sale") for Ringgit 420,000 ("Consideration") and accordingly the New Co shall become a subsidiary of the Company.

1.3 Dr Rueben graduated from Otago, New Zealand with a degree in Bachelor of Dental Surgery. He subsequently obtained a Masters Degree in Orthodontics from University of Edinburgh. He has also obtained certification from the Royal College of Surgeons, Edinburgh. Dr Rueben was also actively involved in undergraduate and postgraduate teaching at the National University of Malaysia (UKM) upto 2009. He is a specialist in the field of Orthodontics.

1.4 The relevant terms of the MOU are:-

The Purchasers will conduct various professional due diligence (including legal due diligence, financial due diligence and other due diligence for determinations) against the practice and New Co, and if the result of the due diligence reviews are satisfactory to the Purchaser and approved by Purchaser's decision-making body, the relevant parties will sign the various Definitive Agreements as follows:

1.4.1 Sale and Purchase Agreement.

1.4.2 Undertaking and Service Agreement. Dr Rueben shall provide to the Purchaser an undertaking and services agreement for two years. Within the term of the two years, Dr Rueben shall not directly or indirectly engage in work and/or business competing with the Purchaser and the New Co. Dr Rueben and his related parties (including his wife) shall not directly or indirectly use trademarks of "全民" or "Q&M" for any activities that compete with the Purchaser. After the Definitive Agreements take effect, Dr Rueben and his related parties (including his spouse) shall not use the same or similar name, goodwill or trademark as "Whitesmile" or run, manage, own or operate any other clinics beyond the scope of the MOU.

1.4.3 Shareholder's Agreement, Articles of Association, the terms of which shall be consistent with the provisions of this MOU:

- 1.4.4 “Trademark License Agreement”, Q & M Dental Group (Singapore) Limited will authorize the New Co after conversion to use its “全民” and “Q & M” trademarks, and the New Co shall place “全民” and “Q & M” trademarks properly in its documents and advertisement board.
- 1.5 As each of the relative figures as computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”) is less than 5%, the proposed acquisition is a “Non-Discloseable Transaction” under Rule 1008 of the Listing Manual.

2. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group’s plan to expand into Malaysia specifically the major cities. The Company intends to achieve a bigger market share of the dental business in Malaysia through the acquisition of more clinics and setting up of its wholly owned clinics.

3. CONSIDERATION FOR THE PROPOSED ACQUISITION

The Consideration will be fully paid in cash, and was arrived at on a willing buyer willing seller basis. In arriving at the Consideration, the Board had taken into account the New Co’s issued and paid up capital of Ringgit 400,000 and the patients’ case load being transferred from the Practice to the New Co. The Board is of the opinion that the Consideration is fair given the patient caseload that the Proposed Acquisition brings to the Group together with the skills and expertise of Dr Rueben.

4. 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

18 January 2012

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 46 dental clinics strategically located island-wide, three 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 150 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.
