



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration No. 200800507R)

PROPOSED STRATEGIC INVESTMENT BY KUNWU JIUDING CAPITAL CO LTD

1. THE MEMORANDUM OF UNDERSTANDING

- 1.1 The Board of Directors (the "Board") of Q & M Dental Group (Singapore) Limited (the "Company") and together with its subsidiaries, the "Group") are pleased to announce that Q & M Dental Group Holdings (China) Pte. Ltd. ("QDHC"), a 100% owned subsidiary of the Company together with Shanghai Q & M Investment Management & Consulting Co Ltd ("SQM"), a 100% owned subsidiary of QDHC, have on 13 August 2012 entered into a non-binding memorandum of understanding (the "MOU") with the Kunwu Jiuding Capital Co Ltd (the "Investors"). The MOU relates to a proposed investment (the "Proposed Investment") which will complement the Group's expansion plans of its dental healthcare business into the People's Republic of China (the "PRC").
- 1.2 Kunwu Jiuding Capital Co Ltd is a leading Chinese domestic private equity investment company. Headquartered in Beijing, Kunwu Jiuding Capital Co Ltd has more than 50 branches and agencies all over China.
- 1.3 The MOU sets out in broad terms the principal terms and conditions under which the parties shall cooperate towards implementing the Proposed Investment. After signing the MOU, the Investors shall conduct due diligence investigations on QDHC and SQM
- 1.4 The Investors intend to make a total investment of RMB 192 million to RMB 240 million in SQM, constituting upto 20% of the share equity of SQM after increase in the share capital of SQM. SQM shall develop a detailed listing plan. The MOU is valid for 12 months.

2. RATIONALE FOR THE PROPOSED INVESTMENT

The Investors are able to provide local renminbi which satisfies the currency regulations for the intended purchases by QDHC and SQM of various dental clinics, hospitals and laboratories in PRC. Further the Investors are able to provide strategic planning, industry consolidation, market development and management team improvement in PRC to support the Group's expansion plans.

The Group believes that as the rising affluence in the PRC is driving the demand for better quality dental healthcare standards and services, the Group should capitalise on the immense potential of the PRC's fast growing market for dental healthcare services. The Proposed Investment will enable the Group to push ahead with their plans of acquiring dental clinics and hospitals.

As it makes further inroads into the PRC, the Group expects its PRC business to add greater geographical diversity to its existing business and become an important growth contributor that strengthens the Group's earning base.

3. FURTHER COMPLIANCE OBLIGATIONS

The Company anticipates that if the Proposed Investment proceeds, it would constitute a transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company will comply with the relevant requirements of Chapter 10 of the Listing Manual of the SGX-ST in a timely manner as the matter progresses. The Board will also update shareholders on any new and significant developments arising in respect of the Proposed Investment.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest in the proposed transaction 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

13 August 2012

About Q & M Dental Group

Q & M Dental Group [QC7.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 48 dental clinics strategically located island-wide, 4 dental centres and 1 mobile dental clinic. It also owns a dental supplies and equipment distribution company. The Group has a team of more than 160 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 3 dental clinics.
