



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

Q & M offers S\$6 million to acquire a 60% stake in the largest dental hospital in Donggang, People's Republic of China to strengthen its presence in North-Eastern China

- The proposed acquisition will involve the acquisition of two dental hospitals operated and owned by Dr Sun Zhizong
- Q & M will receive a profit guarantee of at least \$600k (RMB 3 million) per year starting from 2014 for a 12-year period until 2026
- The proposed acquisition exercise is expected to be completed on 1 February 2014 and will be funded by internal cash, loans and/or issuance of new Q & M shares

Singapore, 28 August 2013 – A subsidiary of Q & M Dental Group (Singapore) Ltd (全民牙医集团新加坡有限公司) ("Q & M"), Q & M Dental Holdings (China) Pte Ltd, has signed a non-binding Memorandum of Understanding with Dr Sun Zhizong to acquire a 60% equity stake in a management company that will own and operate 2 dental hospitals located in Donggang City and Dandong City in Liaoning Province, PRC, in a transaction valued at RMB 30 million (approximately S\$6 million).

Under the terms of the agreement, Dr Sun will incorporate a management company and inject the dental businesses and assets of both hospitals into the management company. Q & M will then acquire 60% of the management company. Q & M will fund the proposed acquisition through internal cash, existing loans from World Bank's International Finance Corporation and/or the issuance of new Q & M shares.

Dr Sun's two dental hospitals are estimated to collectively have a net tangible asset of RMB 7 million (approximately S\$1.4 million). Dr Sun currently employs over 40 dentists and more than 60 nurses and support staff.

In addition, Q & M will receive a profit guarantee from Dr Sun starting from RMB 3 million (approximately \$600k) per year from 2014 and increasing by 9% compounded growth every year for 12 years until 2026. Dr Sun, who holds the remaining 40%, will remain in the management team with a 12-year employment contract.

The rationale behind the proposed acquisition is to expand Q & M's presence and dental businesses in North-Eastern China. With the platform of having the largest dental hospital in Donggang and a new dental hospital in Dandong, Q & M will be able to work with Dr Sun to offer dentists training and exchange programs. Through this, the Group will be able offer higher quality specialist dental services in Donggang and in the neighbouring city of Dandong.

Dr Ng Chin Siau, Group Chief Executive Officer, stated "This is a further step in our expansion plans in North Eastern China as the proposed acquisition will enhance our earlier announced plans and provide us with a presence in major cities in Liaoning province which have a population of almost 44 million".

"We are delighted with this partnership as we view it as beneficial for both parties and will help promote dentistry in the cities of Donggang and Dandong," said Dr Sun.

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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 [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 52 dental clinics strategically located island-wide, four dental centres and one mobile dental clinic. It also owns two dental supplies and equipment distribution companies. The Group has a team of about 170 experienced dentists, supported by about 300 clinic support staff, to provide quality service to its patient pool of more than 450,000 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 operates two clinics in Shanghai. It also has operates 8 clinics in Malaysia and a dental equipment distribution company.

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