



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

**Q & M offers S\$4.375 million to acquire a 60% stake in
Nanjing Sucoronal Dentistry Technique Center,
People's Republic of China to strengthen its presence in China**

- The proposed acquisition will involve the acquisition of eight dental clinics and a dental laboratory operated by Mr Zhang Haiquan.
- Q & M will receive a profit guarantee of at least S\$8.06 million (RMB 38.67 million) for a 12-year period starting from 2014 until 2025.
- The proposed acquisition exercise is expected to be completed on 1 June 2014 and will be funded by internal cash, loans and/or issuance of new Q & M shares.

Singapore, 10 March 2014 – 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 (“Q & M China”), has signed a non-binding Memorandum of Understanding with Mr Zhang Haiquan to acquire a 60% equity stake in Nanjing Sucoronal Dentistry Technique Center (“Nanjing Sucoronal”) that will operate 8 dental clinics and a dental laboratory located in Nanjing City, PRC, in a transaction valued at RMB 21 million (approximately S\$4.375 million). RMB 10 million out of RMB 21 million will be injected into Nanjing Sucoronal as new equity.

Under the terms of the agreement, Mr Zhang Haiquan will convert Nanjing Sucoronal into a private limited company before Q & M China purchases 60% of its shareholding. Q & M will fund the proposed acquisition through internal cash and/or the issuance of new Q & M shares.

Mr Zhang’s company is estimated to collectively have a net tangible asset of RMB 5 million (approximately S\$1.04 million). Mr Zhang currently employs over 20 dentists and more than 50 dental laboratory technicians.

In addition, Q & M will receive a profit guarantee from Mr Zhang starting from RMB 1.8 million (approximately S\$375k) for 2014 and RMB 2.1 million (approximately S\$438k) for 2015 and increasing by 9% compounded growth every year from 2016 for 10 years until 2025. The total profit which Q & M China is entitled to over 12 years is RMB 38.67 million (approximately S\$8.06 million). Mr Zhang, who holds the remaining 40%, will remain in the management team with a 12-year service agreement.

The rationale behind the proposed acquisition is in line with Q & M's expansion plans to bolster its presence and dental businesses in China. With the platform of having a network of dental clinics and a dental laboratory in Nanjing, Q & M will be able to work with Mr Zhang to go from strength to strength by working closely with local authorities. Through this, the Group will be able offer higher quality dental services in Nanjing.

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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 51 dental clinics strategically located island-wide, 5 dental centres and 1 mobile dental clinic. It also owns two dental supplies and equipment distribution companies. The Group has a team of about 180 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.