



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number 200800507R)

(Incorporated in the Republic of Singapore)

UPDATE ON PROPOSED ACQUISITION OF QINHUANGDAO AIDITE HIGH TECHNICAL CERAMIC CO., LTD

1. The Board of Directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to its announcement made on 18 November 2013 wherein it was stated that its wholly owned subsidiary, Q & M Dental Holdings (China) Pte Ltd (“**Q&M China**”) had entered into a Master Agreement on 22 February 2014 (“**Master Agreement**”) with Mr Li Hongwen (“**LHW**”) and Mr Li Bin (“**LB**”) (the “**Sellers**”) to acquire 100% of the shares in Qinhuangdao Aidite High Technical Ceramic Co., Ltd (“**Aidite**”) from the Sellers.
2. Further to the announcement, the Parties have, *inter alia*, executed the following documents on 17 March 2014:-
 - (a) Onshore Share Transfer Agreement for the shares of Aidite;
 - (b) Onshore and Offshore Letter of Undertakings; and
 - (c) Offshore Service Agreement between LHW / LB with QMA and Q&M China.
3. Pursuant to the Share Transfer Agreement, Q&M China shall own 100% of the shares in Aidite through a wholly-owned Singapore-incorporated company, Q & M Aidite International Pte Ltd (“**QMA**”).
4. In addition, LHW / LB has each individually signed a 12 years Service Agreement (“**Service Agreement**”) with QMA and Q&M China. Pursuant to the Service Agreement, Q&M China has granted an option to LHW / LB each to buy 24.5% of the shareholding of QMA for a nominal fee (“**Option**”) as consideration for his service to QMA and Q&M China. The Option is exercisable within 5 years upon the satisfaction of, *inter alia*, the following conditions:-
 - (a) The Sellers having subscribed for RMB10 million (approximately S\$2.08 million) worth of shares in the Company;
 - (b) The Sellers having performed all their obligations required to be performed under the Master Agreement (including the fulfilment of the Profit Guarantee Amounts for the first year);
 - (c) QMA having been legally registered as the sole shareholder of Aidite.
5. The Proposed Acquisition is still subject to Parties obtaining the relevant regulatory approvals, licences, stock exchange and shareholders’ approval (if required) and further due diligence by Q&M China.
6. No person is proposed to be appointed as a director of the Company in connection with the Transaction.
7. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction, save for their interests arising by way of their shareholdings and/or

directorships, as the case may be, in the Company. As at the Announcement Date, none of the Directors or controlling shareholders of the Company holds any shares in the Aoxin Dental Group, directly or indirectly.

8. A copy of the Onshore Share Transfer Agreement stated in paragraph 2 above is available for inspection by shareholders of the Company at the registered office of the Company at 67 Ayer Rajah Crescent #05-12/14 Singapore 139950 during normal business hours for a period of three months from the date of this Announcement.

10. The Company will make further announcements of material information at the appropriate junctures.

By Order of the Board

Q & M Dental Group (Singapore) Limited

Dr. Ng Chin Siau
Group Chief Executive Officer
18 March 2014

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 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.

For more information please contact:

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