



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration No. 200800507R)

(Incorporated in the Republic of Singapore)

UPDATE ON THE PROPOSED SPIN-OFF OF THE COMPANY'S DENTISTRY AND DENTAL SPECIALIST SERVICES AND DENTAL EQUIPMENT AND SUPPLIES DISTRIBUTION BUSINESSES IN THE NORTHERN REGION OF THE PEOPLE'S REPUBLIC OF CHINA VIA THE PROPOSED LISTING OF ITS WHOLLY-OWNED SUBSIDIARY, AOXIN Q & M DENTAL GROUP PTE. LTD. (FORMERLY KNOWN AS Q & M DENTAL HOLDINGS (CHINA) PTE. LTD.), ON THE CATALIST BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1. UPDATE ON THE PROPOSED RESTRUCTURING

- 1.1. The board of directors (the "**Board**" or the "**Directors**") of Q & M Dental Group (Singapore) Limited (the "**Company**") refers to its announcements dated 10 June 2016 and 13 October 2016 in relation to the proposed spin-off of the Company's dentistry and dental specialist services and dental equipment and supplies distribution businesses in the Northern PRC Region (the "**Proposed Spin-off**") via the proposed listing of its wholly-owned subsidiary, Q & M Dental Holdings (China) Pte. Ltd. on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Proposed Listing**"), and the proposed restructuring exercise to be undertaken in connection with the Proposed Spin-Off and the Proposed Listing (the "**Proposed Restructuring**").
- 1.2. On 14 October 2016, a circular, containing information on the Proposed Listing and the Proposed Restructuring was despatched to the shareholders of the Company (the "**Shareholders**") (the "**Circular**"). An extraordinary general meeting was held on 31 October 2016 (the "**EGM**") whereby all resolutions contained in the Circular were passed. All capitalised terms used in this announcement, unless otherwise stated, shall have the same meaning given to them in the Circular.
- 1.3. The Board wishes to update the Shareholders that on 25 January 2017, the name of Q & M Dental Holdings (China) Pte. Ltd. was changed to Aoxin Q & M Dental Group Pte. Ltd. ("**AQMD**" and together with its subsidiaries the "**AQMD Group**").
- 1.4. The Board further wishes to update the Shareholders that the Company has completed the following transactions:
- a. the acquisitions of the JV Entities, Shenyang Maotai and Shenyang Xin Ao as envisaged in paragraphs 3.1, 3.2 and 3.3 of the Circular respectively;

- b. the acquisitions of 40% shareholding interest in Q & M Dental (Shenyang) and 1% shareholding interest in Q & M China, as envisaged in paragraphs 3.4 and 3.5 of the Circular respectively; and
 - c. Dr. Cheah Share Subscription, Health Field Enterprises Share Subscription, JV Partners BVI Share Subscription and Mountain Share Subscription, as envisaged in paragraphs 3.6.1, 3.6.2, 3.6.3 and 3.6.4 of the Circular respectively.
- 1.5. Accordingly, as at the date of this announcement, the Company holds 54.7% of the issued and paid up share capital of AQMD. After taking into consideration the cancellation of the nominee agreement as set out in paragraph 2 below, AQMD holds between 99.99% to 100.0% effective shareholding interest in all its subsidiaries as detailed in the Circular.
- 1.6. In connection with the Proposed Listing, Shao Yongxin has been appointed as a director and chief executive officer of AQMD.

2. CANCELLATION OF NOMINEE AGREEMENT

- 2.1. At page 13 of the Circular, the definition of Shenyang Quan Ao provides as follows:

“Shenyang Quan Ao : Shenyang Quan Ao Medical Investment Management Co., Ltd. (沈阳全奥医疗投资管理有限公司), a company incorporated in the PRC which is 99.00% held by Shanghai Q & M Investment and 1.00% held by Mr. Huang Zhen Xing, a nominee of Q & M Aoxin (*now known as AQMD*), and is engaged in the business of investment holding. Mr. Huang Zhen Xing is the operations manager of Shenyang Quanxin and was nominated by Q & M Aoxin (*now known as AQMD*) pursuant to the terms and conditions of a nominee agreement to hold 1.00% equity interest in Shenyang Quan Ao (which cannot be transferred to a third party without the prior consent of Shanghai Q & M Investment) in connection with the Shenyang Xin Ao Acquisition as a result of the condition imposed by the local governmental authority in the PRC that Shanghai Q & M Investment, as a wholly foreign owned enterprise, cannot hold 100.00% of Shenyang Xin Ao after the Proposed Restructuring;

- 2.2. The Company has obtained PRC legal advice. Based on its PRC legal counsel's recommendation, by way of an agreement dated 16 January 2017, the nominee agreement with Mr. Huang Zhen Xing has been discharged. This step was taken in order to comply with PRC regulations imposed by local government authority that Shanghai Q & M Investment, as a wholly foreign owned enterprise, cannot hold 100.00% of Shenyang Xin Ao after the Proposed Restructuring. Mr. Huang Zhen Xing will legally and beneficially hold 1.00% equity interest in Shenyang Quan Ao.

This change will not have any material impact on the financial information disclosed in the Circular.

3. SERVICE CONTRACTS

There are no directors who are proposed to be appointed to the Board in connection with the Proposed Restructuring, and the Proposed Spin-Off and the Proposed Listing. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Spin-Off and the Proposed Listing, the Proposed Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which will make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

5. CAUTIONARY STATEMENT

The Company wishes to highlight that there can be no assurance that approval for the Proposed Spin-Off and the Proposed Listing will be granted by the SGX-ST, or that the documents in connection with the Proposed Listing can be finalised or agreed or the Proposed Spin-Off and the Proposed Listing can materialise, or otherwise proceed in a timely fashion. In the event that any of the foregoing is not achieved or fulfilled, AQMD will not be able to proceed with the Proposed Spin-Off and the Proposed Listing.

By Order of the Board
Q & M Dental Group (Singapore) Limited

Vitters Sim
Chief Financial Officer
3 March 2017

For more information, please contact:

Senior Legal Counsel

Andrew Young Tel: 6705 9888 Email: Andrew@gandm.com.sg.

Chief Financial Officer

Vitters Sim Tel: 6705 9888 Email: Vitters@gandm.com.sg.