



Q & M DENTAL GROUP (SINGAPORE) LIMITED

(Company Registration Number 200800507R)

(Incorporated in the Republic of Singapore)

**PROPOSED INVESTMENT FOR THE ESTABLISHMENT OF
A SURGICAL MASK MANUFACTURING COMPANY**

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Q & M Dental Group (Singapore) Limited ("**Q & M**" or the "**Company**") wishes to announce that the Company had on 11 March 2020 entered into a non-binding memorandum of understanding ("**MOU**") with **Hubei Aishubao Living Supplies Co., Ltd. ("Aishubao")** and **Guangzhou Pharmasen Co., Ltd. ("Pharmasen")** for the proposed establishment of a surgical mask manufacturing company as a joint venture company ("**JVCo**"), which, if materialized, will result in the Company becoming a shareholder of the JVCo ("**Proposed Investment**").

2. INFORMATION ON AISHUBAO AND PHARMASEN

Background and Principal Activities of Aishubao

Aishubao is a company incorporated in the People's Republic of China ("**PRC**"). Aishubao's business scope includes manufacturing, production and processing, wholesale and retail of Class 1 medical devices in the PRC.

Background and Principal Activities of Pharmarsen

Pharmarsen is a company incorporated in the PRC. It is principally engaged in the business of wholesale and distribution of medical equipment in the PRC.

3. DETAILS OF THE PROPOSED INVESTMENT

Under the Proposed Investment, Aishubao, Pharmarsen and the Company will contribute funds to set up the JVCo, which will then invest in the purchase of surgical mask production lines, production materials, quality control equipment and production sites.

Pursuant to the MOU, Aishubao will contribute seventy per cent. (70%) of the total registered share capital of JVCo, Pharmarsen will contribute ten per cent. (10%) of the total registered share capital of JVCo, and the Company (or its related parties in Singapore or within or outside of the PRC) will contribute twenty per cent. (20%) of the total registered share capital of JVCo.

The actual terms of the Proposed Investment and the respective investment amounts will be negotiated and agreed upon between the parties to the MOU at the definitive agreement stage in respect of the Proposed Investment.

4. RATIONALE FOR THE PROPOSED INVESTMENT

The recent worldwide shortage in supply of surgical masks due to the ongoing COVID-19 crisis has resulted increased prices for surgical masks. As manufacturers and suppliers of surgical masks have been unable to cope with the surging demand, this has adversely affected medical and/or healthcare institutions that require surgical masks for their front-line medical staff. While the Company has maintained a healthy stockpile of surgical masks for its staff and employees, to reduce the Company's reliance on external manufacturers and suppliers of surgical masks and to safeguard the Company against future supply shocks, the Company intends to undertake the Proposed Investment to ensure that the Company will be able to obtain a constant supply of high quality surgical masks for its clinical operations (including its subsidiaries located in Malaysia and China) at a lower cost.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date hereof, none of the Directors or substantial shareholders of the Company have any interests, direct or indirect, in the Proposed Investment, other than through each of their respective directorships and shareholding interests in the Company, if any.

6. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the MOU is available for inspection by shareholders of the Company at the registered office of Company at 81 Science Park Drive, #02-04, The Chadwick, Singapore 118257 during normal business hours for a period of three (3) months from the date of this announcement.

7. FURTHER ANNOUNCEMENT(S)

The Company will, in compliance with its disclosure obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited, make the appropriate announcement(s) upon the entry into the definitive agreements in relation to the Proposed Investment and/or in the event that there are any material developments on this matter.

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

Vitters Sim
Chief Financial Officer
11 March 2020

For more information, please contact:

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