



Q & M DENTAL GROUP (SINGAPORE) LIMITED
(Company Registration Number 200800507R)
(Incorporated in the Republic of Singapore)

**LETTER OF INTENT
LIAONING MEDICAL UNIVERSITY**

1. The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a non-binding letter of intent ("**LOI**") on 28 May 2015 with the Liaoning Medical University ("**LMU**") and the LMU affiliated hospital No. 2 ("**LMU Stomatology Hospital No.2**") on the basis for a possible partnership whereby LMU will allow the Company to corporatize (with the Company taking majority ownership in shareholding) and privately run the LMU Stomatology Hospital No.2 and the entire Stomatology faculty arm of the Medical department in LMU.
2. LMU was founded in 1946 and is now located in Jinzhou City, Liaoning Province, China. It currently has 5 departments, namely the Medical, Agricultural, Industrial, Management and Educational departments.
3. The Stomatology faculty in the Medical department current accepts 60 new students every year (30 from the Liaoning Province with the remainder coming from the rest of China) but will increase its intake by an additional 30 students in lieu of the recent designation of the Company's subsidiary, the Shenyang Aoxin Q & M Stomatology Group as the Shenyang Stomatology Teaching and Training Institute.
4. The Stomatology faculty current runs the directly affiliated hospital, the LMU Stomatology Hospital No. 2. The LMU Stomatology Hospital No. 2 is a fully functional and national health insurance accredited stomatology hospital founded in 1988 that provides outpatient services and acts as a training centre for undergraduate and postgraduate Stomatology students of LMU. There are only 2 Stomatology hospitals in Jinzhou City, the LMU Stomatology Hospital No.2 (governed provincially) and the city stomatology hospital.
5. The LMU Stomatology Hospital No.2 has all the full 6 disciplines in Stomatology and currently houses 48 dentists, all of whom work full time and are required to teach and provide training to the students. It currently occupies 10,257 square metres of floor area and has more than 100 dental chairs. Its revenue in 2014 was approximately RMB 27 million.
6. Key terms of the LOI:
 - (i) The target of the cooperation is to set up a medical, educational and scientific partnership as well as to modernise and restructure the Stomatology faculty and the LMU Stomatology Hospital No. 2 to bring it in line with international standards;
 - (ii) The principle of the cooperation is to achieve the maximum benefits for all 3 parties and to approach the cooperation on a regulated basis that ensures the project is in full compliance of the laws and regulations;
 - (iii) The duties of LMU and the LMU Stomatology Hospital No.2 is to provide the branding, resources, market share as well as the technical and human resources while the Company is to provide the educational and research knowledge and equipment;
 - (iv) The future cooperation shall be on a for profit and shareholding basis; and

- (v) All parties shall immediately start preliminary preparations and to work towards the signing of definitive agreements to crystallise the partnership.

7. The Company will announce any material developments as and when appropriate.

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

Vitters Sim
Chief Financial Officer
3 June 2015

For more information, please contact:

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