



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

RESPONSE TO SGX QUERIES IN RESPECT OF:

- (1) THE SECURITY ENFORCEMENT; AND**
 - (2) MANDATORY UNCONDITIONAL CASH OFFER BY Q & M DENTAL GROUP (SINGAPORE) LIMITED FOR AOXIN Q & M DENTAL GROUP LIMITED**
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Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Company's announcement dated 30 April 2025 relating to the Security Enforcement and the Offer (the "30 April Announcement").

The Board of Directors (the "**Board**") of Q & M Dental Group (Singapore) Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the 30 April Announcement, and wishes to provide its response as follows:

SGX-ST QUERIES

The Profit Guarantee provided by Dr. Shao is secured by the Escrow Account and the HFEL Aoxin Shares. The Company disclosed that it has enforced the security interest over the HFEL Aoxin Shares, with the consideration for the Security Enforcement amounting to approximately S\$2.82 million. This represents a partial settlement of the Profit Guarantee shortfall of approximately S\$13 million owed by Dr. Shao, leaving an outstanding balance of S\$10.18 million. Please provide the following information:

- (a) Is the Profit Guarantee shortfall of S\$13 million the outstanding balance net of the Escrow Account amount? If not, what is the amount in the Escrow Account, and why has the Company not claimed or is not claiming against the Escrow Account amount?
- (b) What are the Company's plans to recover the remaining Profit Guarantee shortfall?

COMPANY'S RESPONSE

- (a) As stated in the IPO Offer Document and in the 2016 Circular, Dr. Shao was required to deposit certain sums of money into an escrow account maintained by the Company and was required to maintain the same for the duration of the Profit Guarantee. Despite repeated reminders, Dr. Shao did not maintain the required balance in the Escrow Account in accordance with the terms of the Profit Guarantee. The Company has continuously monitored this issue and had opted to engage with Dr. Shao directly, given his ongoing involvement in Aoxin's operations. Nevertheless, due to Dr. Shao's failure to maintain the required balance in the Escrow Account, the Company was not able to make any claim against the Escrow Account.
- (b) The Company is considering all available options to recover the remaining Profit Guarantee shortfall. While all potential options remain open, any steps taken will be considered in light of broader commercial considerations, including the importance of ensuring business continuity and stability in Aoxin's operations. The Company will make further announcement(s) as and when there are material developments.

By Order of the Board

Ng Sook Hwa
Chief Financial Officer
7 May 2025