

# APPENDIX

## APPENDIX DATED 12 JUNE 2020

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**This Appendix is issued by Aoxin Q & M Dental Group Limited (the “Company”, and together with its subsidiaries, the “Group”). If you are in any doubt about the contents of this Appendix or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of the Company (the “Shares”) held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by the CDP for a separate Appendix with the Notice of AGM (as defined herein) and the accompanying Proxy Form (as defined herein) to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward this Appendix, together with the annual report of the Company for the financial year ended 31 December 2019 (“Annual Report”), the Notice of AGM and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

This Appendix is circulated to the Shareholders together with the Company’s Annual Report. The purpose of this Appendix is to provide Shareholders with information relating to, and seek Shareholders’ approval for, the Proposed Change of Auditors at the 2020 AGM (as defined herein).

This Appendix has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542.



## AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration No. 201110784M)  
(Incorporated in the Republic of Singapore)

### APPENDIX TO THE NOTICE OF AGM

#### IN RELATION TO

### THE PROPOSED CHANGE OF AUDITORS FROM MESSRS FOO KON TAN LLP TO MESSRS RSM CHIO LIM LLP

# APPENDIX

---

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>DEFINITIONS</b> .....	132
<b>LETTER TO SHAREHOLDERS</b> .....	135
1. INTRODUCTION	135
2. THE PROPOSED CHANGE OF AUDITORS .....	135
3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS .....	138
4. AUDIT COMMITTEE'S RECOMMENDATIONS .....	139
5. DIRECTORS' RECOMMENDATION .....	139
6. ACTION TO BE TAKEN BY SHAREHOLDERS .....	139
7. DIRECTORS' RESPONSIBILITY STATEMENT .....	139
8. DOCUMENTS AVAILABLE FOR INSPECTION .....	140

# APPENDIX

---

## DEFINITIONS

---

In this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:-

“2020 AGM”	: The annual general meeting of the Company to be held on 29 June 2020 at 2.30 p.m. by way of electronic means, notice of which is set out in the Notice of AGM
“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“Act” or “Companies Act”	: The Companies Act, (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Annual Report”	: The annual report of the Company for the financial year ended 31 December 2019
“Appendix”	: This appendix to the Notice of AGM dated 12 June 2020 in respect of the Proposed Change of Auditors
“Audit Committee”	: The audit committee of the Company as at the date of this Appendix comprising Mr. Chua Ser Miang, Professor Chew Chong Yin @ Chew Chong Lin and Mr. Lin Ming Khin
“Auditors”	: The auditors of the Company for the time being
“Board”	: The board of directors of the Company as at the Latest Practicable Date
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	: The Central Depository (Pte) Limited
“CICPA”	: The Chinese Institute of Certified Public Accountants
“Company”	: Aoxin Q & M Dental Group Limited
“Constitution”	: The constitution of the Company, as amended, modified or supplemented from time to time
“Directors”	: The directors of the Company as at the Latest Practicable Date
“Foo Kon Tan”	: Messrs Foo Kon Tan LLP
“Group”	: The Company and its subsidiaries, collectively
“Latest Practicable Date”	: 1 June 2020, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Notice of AGM”	: The notice of the 2020 AGM as set out on pages 143 to 147 of the Annual Report

# APPENDIX

## DEFINITIONS

“PRC”	: The People’s Republic of China
“Proposed Change of Auditors”	: The proposed change of auditors of the Company from Foo Kon Tan to RSM Chio Lim
“Proxy Form”	: The proxy form in respect of the 2020 AGM as set out in the last two (2) pages of the Annual Report
“RSM Chio Lim”	: Messrs RSM Chio Lim LLP
“SBASF CPA”	: SBA Stone Forest CPA (Beijing) General Partnership
“Securities Account”	: A securities account maintained by a Depositor with the CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares in the register of members of the Company, except that where the registered holder is the CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and into whose Securities Accounts those Shares are credited
“Shares”	: Ordinary shares in the capital of the Company
“Sponsor”	: SAC Capital Private Limited
“Substantial Shareholder”	: A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“treasury shares”	: Treasury shares shall have the meaning ascribed to it under Section 4 of the Companies Act

### Currency, Units and Others

“%”	: Percentage or per centum
“S\$”	: Singapore dollars

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act. The term “**subsidiary holdings**” means shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

# APPENDIX

---

## DEFINITIONS

---

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined in the Companies Act, SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA, the Catalist Rules, the Take-over Code or any statutory modification thereof (as the case may be) unless otherwise provided.

Any reference to a time of a day and date in this Appendix shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The total of figures listed in certain tables included in this Appendix may not be the same as the arithmetic sum of the figures. Any such discrepancies are due to rounding.



# APPENDIX

## AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration Number: 201110784M)  
(Incorporated in the Republic of Singapore)

### Directors:

Mr. Chua Ser Miang (Non-Executive Chairman and Independent Director)  
Dr. Shao Yongxin (Executive Director and Group Chief Executive Officer)  
Mr. San Yi Leong @ Tan Yi Leong (Executive Director and Deputy CEO)  
Mr. Vitters Sim Yu Xiong (Non-Executive Director)  
Professor Chew Chong Yin @ Chew Chong Lin (Independent Director)  
Mr. Lin Ming Khin (Independent Director)

12 June 2020

To: The Shareholders of **AOXIN Q & M DENTAL GROUP LIMITED**

Dear Sir/Madam,

### Registered Office:

80 Robinson Road  
#02-00  
Singapore 068898

## THE PROPOSED CHANGE OF AUDITORS FROM MESSRS FOO KON TAN LLP TO MESSRS RSM CHIO LIM LLP

### 1. INTRODUCTION

The Board is seeking the Shareholders' approval, at the 2020 AGM, for the proposed change of auditors from Messrs Foo Kon Tan LLP ("**Foo Kon Tan**") to Messrs RSM Chio Lim LLP ("**RSM Chio Lim**") ("**Proposed Change of Auditors**").

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the Proposed Change of Auditors.

**Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.**

### 2. THE PROPOSED CHANGE OF AUDITORS

#### 2.1. Rationale for the Proposed Change of Auditors

The Company's existing auditors, Foo Kon Tan, was appointed as the Auditors at the last annual general meeting of the Company held on 30 April 2019 to hold office until the conclusion of the next annual general meeting of the Company.

The Board is of the view that the Proposed Change of Auditors will be in the best interests of the Company and the Shareholders, taking into consideration the following factors.

The Group's main operations are in the PRC. The outbreak of COVID-19 and the resulting worldwide movement restrictions have posed various challenges to companies in terms of operating their businesses including conducting audits. In view of the challenges faced by the Company, the management of the Company, in consultation with the Audit Committee, carried out a review of the audit process that would enable the completion of the audit of the Group in a timely manner in situations such as the COVID-19 pandemic where travel restrictions are imposed. Based on such review, the management of the Company determined that the proposed audit approach of RSM Chio Lim meets the requirements of the Group.

RSM Chio Lim has proposed SBA Stone Forest CPA (Beijing) General Partnership ("**SBASF CPA**") to be the component auditor of the Company's subsidiaries whose operations are in the PRC. SBASF CPA is a partner-owned public accounting practice headquartered in Shanghai, the PRC. It is registered with the Chinese Institute of Certified Public Accountants ("**CICPA**") and is a member of Allinial Global, an accounting firm association of legally independent accounting and consulting firms. RSM Chio Lim in Singapore provides technical support including training in audit methodology and International Financial Reporting Standards as well as practice management support to SBASF

# APPENDIX

CPA. The audit of the Group's operations in PRC will be carried out by SBASF CPA's audit teams in Shanghai and Beijing, and the audit field work in the PRC will be undertaken by them. Accordingly, there will be a lesser need for the Singapore audit team to travel to PRC to conduct an audit. This arrangement will ensure that the Group is able to complete its audit in a timely manner in situations such as the COVID-19 pandemic where travel restrictions are imposed. The strong alliance between RSM Chio Lim in Singapore and SBASF CPA in the PRC will enable the two firms to work together in meeting the Group's audit requirements.

The Board also considered that RSM Chio Lim is familiar with the Group's needs and reporting requirements, having served as an auditor of the Company for eight (8) consecutive audits since FY2011, including at the time of the Company's initial public offering. The scope of audit services to be provided by RSM Chio Lim will be comparable to those currently provided by Foo Kon Tan. Accordingly, the Board is of the view that a change of Auditors is in the best interests of the Company.

In addition, following a review and consideration of the factors listed in Section 2.3 below in consultation with the Audit Committee, the Board has determined that the proposal given by RSM Chio Lim is suited to the existing needs and requirements of the Group. The Board has considered, *inter alia*, the size and complexity of the Group, the number of staff in the audit engagement team, the seniority of the audit team members and the relevant experience of and profile of the clientele of RSM Chio Lim and the engagement partner-in-charge and is of the opinion that RSM Chio Lim is suitable to be appointed as the Auditors.

On 25 May 2020, the Company received notice from Foo Kon Tan of their retirement as Auditors. RSM Chio Lim has given its consent to act as auditors of the Company by way of a letter dated 9 June 2020. The retirement of Foo Kon Tan and the appointment of RSM Chio Lim will be effective upon the approval of Shareholders being obtained at the 2020 AGM. Upon the appointment, RSM Chio Lim will hold office until the conclusion of the next annual general meeting of the Company. The Directors would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement.

The Board wishes to express their appreciation for the past services rendered by Foo Kon Tan.

## 2.2. Information on RSM Chio Lim and the Audit Engagement Partner

### About RSM Chio Lim

RSM Chio Lim is part of the international RSM network of independent public accounting firms providing assurance, tax and business advisory services. The international RSM network has over 810 offices worldwide and over 43,000 global staff strength. It is the 6<sup>th</sup> largest global provider of audit, tax and accounting services, and each line of service is staffed with highly qualified and experienced professionals.

With a total staff strength of over 70 partners/directors and over 950 and 320 staff in Singapore and China respectively, RSM Chio Lim is ranked the largest accounting and business advisory group outside the big four accounting firms in Singapore. It is also registered with the Public Company Accounting Oversight Board (PCAOB).

The list of audit engagements (past and present) of RSM Chio Lim involved in similar industries includes Q & M Dental Group (Singapore) Limited and Alliance Healthcare Group Limited.

For more information about RSM Chio Lim, its core values and services, please visit RSM Chio Lim's website at – <https://www.rsm.global/singapore/>.

### About the Audit Engagement Partner

For the purposes of the audit of the Group, the Group audit engagement team of RSM Chio Lim in Singapore will comprise the following professionals: one (1) audit associate, one (1) audit senior, one (1) audit manager, and one (1) audit engagement partner. In addition, the audit of the Group will also be reviewed by an audit engagement quality control review partner.

# APPENDIX

The engagement partner-in-charge from RSM Chio Lim will be Mr Chan Weng Keen (“**Mr Chan**”). Mr Chan is a practicing member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. He has more than 25 years of experience in providing audit and assurance services to a variety of clients. His professional experience includes providing audit and assurance services to public companies listed on the Singapore Exchange, subsidiaries of multinational corporations listed overseas, and growing and emerging companies. These companies are in various industries – industrial products, property development and construction, commodities trading, consumer products, technology, utilities, logistics, oil and gas, and retail. Mr Chan is also RSM Chio Lim’s Co-Head of China Practice who focuses on assisting foreign businesses in establishing a foothold in China as well as supporting Chinese businesses looking to expand globally using Singapore as a springboard to the region.

The Audit Committee has also enquired on whether Mr Chan has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit Committee has noted that Mr Chan passed the Practice Monitoring Programme review by ACRA in 2016 and received no adverse feedback from those exercises. Additionally, the Audit Committee has also considered all of the Audit Quality Indicators listed in ACRA’s Audit Quality Indicators Disclosure Framework in its selection of RSM Chio Lim as new auditors of the Company.

## 2.3. Compliance with Rules 712 and 715 of the Catalist Rules

RSM Chio Lim is registered with ACRA. The Board, together with the concurrence of the Audit Committee, is satisfied that RSM Chio Lim will be able to meet the audit requirements of the Group after taking into account various factors, including the adequacy of the resources and experience of RSM Chio Lim, the audit engagement partner assigned to the audit, RSM Chio Lim’s other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit.

In accordance with the requirements of Rules 712(3) and 715 of the Catalist Rules:

- (a) Foo Kon Tan has confirmed by way of a letter dated 26 May 2020 that it is not aware of any professional reasons why RSM Chio Lim should not accept appointment as Auditors;
- (b) the Company confirms that there were no disagreements with Foo Kon Tan on accounting treatments within the last twelve (12) months from the date of this Appendix;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 2.1 above. The Proposed Change of Auditors is neither due to the dismissal of Foo Kon Tan nor Foo Kon Tan declining to stand for election; and
- (e) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of RSM Chio Lim as its Auditors.

## 2.4. Requirements under Rule 715 of the Catalist Rules

Assuming that the Proposed Change of Auditors is approved by the Shareholders at the 2020 AGM, it is intended that (a) RSM Chio Lim shall be appointed to audit the consolidated financial statements of the Group and the financial statements of the Company’s Singapore-incorporated subsidiaries and significant associated companies; and (b) the Company’s significant foreign-incorporated subsidiaries and significant associated companies shall be audited by SBASF CPA. As SBASF CPA is registered with the CICPA and has experience working with RSM Chio Lim on similar engagements where RSM Chio Lim in Singapore is the group auditor of SGX-ST listed parent companies in Singapore and SBASF CPA is the component auditor of such companies’ subsidiaries whose operations are in the PRC, the Proposed Change of Auditors, if approved, will be in compliance with Rule 715(2) of the Catalist Rules.

The Board and Audit Committee are satisfied that such audit arrangements set out above will not compromise the standard and effectiveness of the audit of the Company.



# APPENDIX

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date are set out below:-

Name	Direct Interests		Deemed Interests		Total Interests	
	No of Shares	% <sup>(1)</sup>	No of Shares	% <sup>(1)</sup>	No of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Mr. Chua Ser Miang	-	-	-	-	-	-
Dr. Shao Yongxin <sup>(2)</sup>	-	-	109,401,709	28.67	109,401,709	28.67
Mr. San Yi Leong @ Tan Yi Leong	-	-	-	-	-	-
Mr. Vitters Sim Yu Xiong	-	-	-	-	-	-
Professor Chew Chong Yin @ Chew Chong Lin	100,000	0.03	-	-	100,000	0.03
Mr. Lin Ming Khin	50,000	0.01	-	-	50,000	0.01
<b>Substantial Shareholders (other than Directors)</b>						
Q & M Dental Group (Singapore) Limited	162,354,038	42.55	-	-	162,354,038	42.55
Health Field Enterprises Limited	109,401,709	28.67	-	-	109,401,709	28.67
Quan Min Holdings Pte. Ltd. <sup>(4)</sup>	2,562,800	0.67	162,354,038	42.55	164,916,838	43.22
Dr. Ng Chin Siau <sup>(5)</sup>	10,000	0.003	164,926,838	43.22	164,936,838	43.23
Action Health Enterprises Limited <sup>(2)(3)</sup>	-	-	109,401,709	28.67	109,401,709	28.67

**Notes:-**

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 381,574,909 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dr. Shao Yongxin is deemed interested in Health Field Enterprises Limited's shares by virtue of his 100% indirect shareholding in Health Field Enterprises Limited.
- (3) Health Field Enterprises Limited is an investment holding company incorporated in the British Virgin Islands. Health Field Enterprises Limited is 100% held by Action Health Enterprises Limited, an investment holding company incorporated in the British Virgin Islands, which is in turn 100% held by Dr. Shao Yongxin.
- (4) Quan Min Holdings Pte. Ltd. is deemed to be interested in Q & M Dental Group (Singapore) Limited's shares by virtue of its 57.1% shareholdings in Q & M Dental Group (Singapore) Limited.
- (5) Dr. Ng Chin Siau is deemed to have interest in the shares held by (i) Q & M Dental Group (Singapore) Limited's shares by virtue of his 47.89% shareholding in Quan Min Holdings Pte. Ltd.; and (ii) his spouse, Madam Foo Siew Juan.

Save as disclosed in this Appendix, none of the Directors and Substantial Shareholders has any interest, direct or indirect, (other than through their respective shareholdings in the Company, if any) in the Proposed Change of Auditors.

# APPENDIX

## 4. AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee has reviewed the Proposed Change of Auditors and recommended the appointment of RSM Chio Lim as Auditors of the Company in place of Foo Kon Tan, after taking into account the suitability and independence of RSM Chio Lim to meet the audit requirements of the Group, the various factors set out in Section 2.3 of this Appendix and compliance with the requirements of the Catalist Rules.

## 5. DIRECTORS' RECOMMENDATIONS

The Directors having considered the rationale for the Proposed Change of Auditors, and the recommendations of the Audit Committee, are of the view that the Proposed Change of Auditors is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditors, as set out in the Notice of AGM.

## 6. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction in Singapore, Shareholders will not be able to attend the 2020 AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2020 AGM pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Shareholders should refer to the Company's announcement, the Notice of AGM, this Appendix and the accompanying Proxy Form which have been uploaded on SGXNET and the Company's website at <https://www.aoxinqm.com.sg>, for further information, including the steps to be taken by Shareholders to participate at the 2020 AGM.

A Depositor shall not be regarded as a member of the Company entitled to attend and vote at the 2020 AGM unless his/her name appears on the Depository Register as at seventy-two (72) hours before the time appointed for holding the 2020 AGM, as certified by the CDP to the Company.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this Appendix 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 Appendix in its proper form and context.

# APPENDIX

## 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours from the date hereof up to and including the date of the 2020 AGM:-

- (a) the Constitution;
- (b) Foo Kon Tan's notice of retirement as Auditors dated 25 May 2020;
- (c) Foo Kon Tan's letter of professional clearance to RSM Chio Lim dated 26 May 2020;
- (d) RSM Chio Lim's letter to the Company in respect of their consent to act as Auditors dated 9 June 2020; and
- (e) the Annual Report.

In compliance with the Singapore Government's enhanced measures for safe distancing to minimise further spread of the ongoing COVID-19, Shareholders who wish to inspect the above documents shall make an appointment via the following email address [qnm@aoxin.sg](mailto:qnm@aoxin.sg).

Yours faithfully

For and on behalf of the Board of Directors  
**Aoxin Q & M Dental Group Limited**

**Dr. Shao Yongxin**  
Executive Director and Group Chief Executive Officer