



**AOXIN Q&M**

**AOXIN Q & M DENTAL GROUP LIMITED**  
(Company Registration Number 201110784M)  
(Incorporated in the Republic of Singapore)

---

**PROPOSED SUBSCRIPTION OF 9,413,271 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY  
AT AN ISSUE PRICE OF S\$0.236 PER SHARE**

---

**1. INTRODUCTION**

The Board of Directors (the "**Board**" or the "**Directors**") of Aoxin Q & M Dental Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements dated 15 May 2017, 18 September 2017, 30 October 2017 and 8 December 2017 in relation to the proposed acquisition of Zhuanghe City Aoxin Dawei Co., Ltd and the proposed acquisition of Shenyang Qingamei Oral Restorative Technology Co., Ltd. (collectively, the "**Proposed Acquisitions**") (the "**Earlier Announcements**").

*Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings as set out in the Earlier Announcements.*

The Board wishes to announce that the Company had on 26 January 2018 entered into subscription agreements with Mr Jia Dawei ("**JDW**") and Mrs Wang Jie ("**WJ**") (collectively, the "**Subscribers**") (the "**Subscription Agreements**") in satisfaction of part of the conditions for the Proposed Acquisitions. The Subscribers have agreed to subscribe for an aggregate of 9,413,271 new ordinary shares in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.236 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$2,221,532 (equivalent to approximately RMB 10.73 million), subject to and upon the terms and conditions of the Subscription Agreements (the "**Proposed Subscription**").

The Proposed Subscription is not underwritten, and there is no placement agent appointed for the purpose of the Proposed Subscription. The Proposed Subscription is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

The Proposed Subscription would not result in any transfer of controlling interest in the Company, and the Subscription Shares will not be issued to any of the persons set forth in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**").

## 2. THE SUBSCRIPTION SHARES AND THE ISSUE PRICE

- 2.1 The Subscription Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the ordinary shares of the Company (“**Shares**”) existing as at the date of issue of the Subscription Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Subscription Shares.
- 2.2 The Subscription Shares will be allotted and issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution (“**General Mandate**”) at the annual general meeting of the Company held on 30 May 2017 (“**2017 AGM**”). As at the date of the 2017 AGM, the Company has 355,815,638 Shares and does not have any treasury shares.

As at the date of this announcement, the Company has issued 16,346,000 new Shares under the General Mandate. Therefore, the maximum number of new Shares which may be issued other than on a *pro rata* basis to existing Shareholders pursuant to the General Mandate is 161,561,819 new Shares. Accordingly, the proposed allotment and issue of the Subscription Shares will fall within the limit of the General Mandate.

The Subscription Shares represent approximately 2.53% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement. Assuming the successful allotment and issue of the Subscription Shares, the Subscription Shares will represent approximately 2.47% of the enlarged issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscription. Immediately upon completion of the Proposed Subscription, the Company's issued and paid-up share capital will increase from 372,161,638 Shares to 381,574,909 Shares.

- 2.3 The Issue Price of S\$0.236 per Subscription Share represents a premium of approximately 20.4% to the volume weighted average price of S\$0.196 for each Share, for trades done on the SGX-ST on 26 January 2018 (being the full market day on which the Subscription Agreements were executed). The Issue Price had been fixed as per the Earlier Announcements as part of the conditions for the Proposed Acquisitions.

## 3. MORATORIUM

Under the Subscription Agreements, the Subscription Shares shall be moratorised for a period until 30 September 2022.

## 4. CONDITIONS PRECEDENT

The Proposed Subscription is conditional upon, *inter alia*, the following:

- (i) the receipt by the Company and the Subscribers of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Subscribers under any and all applicable laws (including any corporate approvals and authorisations of the Company and the Subscribers) and third parties, for or in respect of the Proposed Subscription;

- (ii) the listing and quotation notice being obtained from the SGX-ST for the listing of and quotation for the Subscription Shares on Catalist upon the allotment and issuance hereof (the “LQN”);
- (iii) any conditions attached to the LQN which are required to be fulfilled on or before the date of completion of the Proposed Subscription being fulfilled on or before that date to the satisfaction of or waived by the SGX-ST; and
- (iv) the Subscribers having completed the relevant foreign exchange registration as required by the PRC laws and regulations for holding any of the Subscription Shares.

The Company’s sponsor, SAC Capital Private Limited, will be submitting an additional listing confirmation to the SGX-ST on behalf of the Company for the listing of and quotation for the Subscription Shares on Catalist of the SGX-ST. The Company will make the necessary announcements upon receipt of the LQN.

Completion of the Proposed Subscription is to take place on the date falling five (5) market days after the date of receipt of the LQN whereby the Company shall allot and issue the Subscription Shares to the Subscribers.

## 5. RATIONALE FOR THE PROPOSED SUBSCRIPTION

5.1 The Subscription Shares are proposed to be allotted and issued to the Subscribers as follows:

<u>No.</u>	<u>Subscribers</u>	<u>Number of Subscription Shares</u>	<u>Aggregate Issue Price</u>	<u>Subscription Shares as a percentage of the Company’s enlarged issued share capital</u>
1.	Weixia Pte. Ltd, a company incorporated in Singapore and wholly owned by JDW	3,754,781	RMB 4.28 million (amounting to approximately S\$886,128)	0.99%
2.	Exclusive Innovation Pte. Ltd, a company incorporated in Singapore and wholly owned by WJ	5,658,490	RMB 6.45 million (amounting to approximately S\$1,335,404)	1.48%
<b>Total</b>		9,413,271	S\$2,221,532	2.47%

5.2 As at the date of this announcement, the Subscribers do not hold any Shares in the Company.

To the best of the Company’s knowledge, there is no agreement, arrangement or understanding between the Subscribers and any other shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Subscribers are not acting in concert

with any other shareholder of the Company, as defined in The Singapore Code on Take-Overs and Mergers.

## **6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION**

The basic earnings per Share (“**EPS**”) and the net tangible liabilities (“**NTL**”) per Share of the Group based on the audited financial statements of the Group for the financial year ended 31 December 2016 (“**FY2016**”) were 0.69 cents and 1.14 cents respectively. The EPS and NTL per Share of the Group for FY2016, after adjusting for the Proposed Subscription, would be 0.67 cents and 0.53 cents respectively.

The financial effects of the Proposed Subscription set out above are for illustrative purposes only and are therefore not indicative of the actual financial performance or position of the Group upon completion of the Proposed Subscription.

## **7. USE OF NET PROCEEDS**

7.1 Upon completion of the Proposed Subscription, the estimated net proceeds (“**Net Proceeds**”) will be approximately S\$2,201,532 (after deducting expense of approximately S\$20,000 incurred by the Company in connection with the Proposed Subscription).

7.2 The Company intends to utilise the Net Proceeds for general corporate activities including but not limited to acquisitions, joint ventures and/or for strategic alliances and expansion of dental, distribution and manufacturing businesses of the Group.

7.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

## **8. DIRECTORS’ OPINION**

The Directors are of the opinion that (i) after taking into consideration the Group’s present internal resources, the Group has sufficient working capital available to meet its present requirements; and (ii) after taking into consideration the Group’s present internal resources and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the opinion that the Net Proceeds will further strengthen and supplement the Group’s financial position and capital base.

## **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and controlling shareholders have any interests, direct or indirect, in the Proposed Subscription, other than through each of their respective shareholding interests, direct and/or indirect (if any), in the Company.

## **10. 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 Subscription, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would 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.

#### **11. DOCUMENTS FOR INSPECTION**

Copies of the Subscription Agreements may be inspected at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal office hours for a period of three (3) months commencing from the date of this announcement.

#### **12. TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscription is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board  
**Aoxin Q&M Dental Group Limited**

Dr. Shao Yongxin  
Executive Director and  
Group Chief Executive Officer  
29 January 2018

---

For more information please contact:

**Chief Financial Officer**

Cheong Yew Meng | Tel: (65) 6235 1188 | Email: [yewmeng@aoxin.sg](mailto:yewmeng@aoxin.sg)

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alicia Sun (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.