



AOXIN Q & M DENTAL GROUP LIMITED
(Company Registration No. 201110784M)
(Incorporated in the Republic of Singapore)

**ENTRY INTO A MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED
ACQUISITION OF A DENTAL GROUP IN CHINA**

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**”) wishes to announce that the Company has entered into a non-binding memorandum of understanding on 25 March 2026 (“**China MOU**”) in respect of the proposed acquisition of a dental group in China (the “**Chinese Dental Group**”) (the “**Proposed Acquisition**”).

2. PROPOSED ACQUISITION

2.1. Information on the Chinese Dental Group

The Chinese Dental Group is a dental and medical services group based in the central region of China, and operates primarily through two (2) business segments:

- (a) The Chinese Dental Group operates a network of close to 30 dental clinics in the central region of China, supported by a team of 80 dentists, providing a comprehensive range of dental services, including but not limited to implants, orthodontics, restorations, and periodontal treatment. The Chinese Dental Group has an established track record in the provision of dental services, enabling patients to access professional dental care at competitive price points through its multiple clinics across the central region of China; and
- (b) The Chinese Dental Group is also engaged in medical device technology development and the wholesale and retail of Class I and II medical devices.

2.2. Details of the Proposed Acquisition

Under the Proposed Acquisition, the Company intends to acquire 100% of the Chinese Dental Group. The purchase consideration for the Proposed Acquisition is RMB150 million (subject to adjustments upon completion of financial due diligence) and shall be satisfied in the following manner:

- (a) RMB75 million (fifty per cent (50%) of the total consideration) (the “**Cash Consideration**”), shall be paid in cash to the seller, of which (i) RMB56.25 million shall be paid on completion of the Proposed Acquisition (“**Completion**”), and (ii) RMB11.25 million shall be paid one (1) year after Completion, subject to the seller achieving the profit guarantee target for the first year; and

- (b) RMB75 million (fifty per cent (50%) of the total consideration) shall be satisfied by the allotment and issuance of new ordinary shares in the capital of the Company to the seller (the “**Consideration Shares**”), of which (i) Consideration Shares in the aggregate value of RMB30 million shall be issued at an issue price of S\$0.30 per Consideration Share, and (ii) Consideration Shares in the aggregate value of RMB45 million shall be issued at a price per Consideration Share based on the volume-weighted average price of the Company’s shares over a seven (7) day trading period to be determined prior to Completion. The Consideration Shares will be subject to a moratorium period of fifteen (15) years.

The Proposed Acquisition will comprise, amongst others, a profit guarantee of an aggregate of RMB71 million for a period of five (5) years following Completion, pursuant to which the seller shall procure that the Chinese Dental Group shall achieve a consolidated net profit after tax (“**NPAT**”) of not less than the following amounts:

Profit Guarantee Periods	Duration / Last Day of Relevant Profit Guarantee Years	Guaranteed NPAT
Profit Guarantee Period 1	1st year anniversary from Completion	RMB12 million
Profit Guarantee Period 2	2 nd year anniversary from Completion	RMB13 million
	3 rd year anniversary from Completion	RMB14 million
Profit Guarantee Period 3	4 th year anniversary from Completion	RMB15 million
	5 th year anniversary from Completion	RMB17 million

In connection with the profit guarantee, the seller has agreed to deposit RMB7.5 million in cash (the “**Escrow Amount**”) into a jointly-managed escrow account to satisfy any shortfall payment in the event that the actual NPAT achieved by the Chinese Dental Group falls below the guaranteed NPAT during any of the profit guarantee periods. If the Chinese Dental Group's consolidated NPAT meets the guaranteed NPAT for both the first and second profit guarantee periods, 40% of the Escrow Amount (RMB3 million) shall be released to the seller. The remaining 60% (RMB4.5 million) of the Escrow Amount shall be released upon satisfaction of the guaranteed NPAT for the third profit guarantee period.

The Proposed Acquisition will also be supported by service agreement(s) of at least fifteen (15) years to be entered into by the seller and, if required, other personnels involved in the Chinese Dental Group including the founder and/or the controlling shareholder(s) of the Chinese Dental Group (as the case may be), and a share pledge agreement pursuant to which the seller shall pledge all Consideration Shares to the Company to secure performance of the aforesaid profit guarantee obligations. The service agreement(s) and share pledge agreement are expected to be entered into on or around completion of the Proposed Acquisition.

The Proposed Acquisition is subject to, among other things, the parties entering into a definitive agreement on mutually acceptable terms, which is expected to be executed following successful negotiations and completion of satisfactory legal, financial and operational due diligence on the Chinese Dental Group, its clinics, and the seller.

2.3. Rationale for the Proposed Acquisition

The Proposed Acquisition is part of the steps taken by the Group in achieving its long-term strategic objectives of expanding its footprint in the People's Republic of China and deepening its business presence in the China region. This is in line with the Group's strategy, as set out in the Company's controlling shareholder, Q & M Dental Group (Singapore) Limited's ("Q & M") press release dated 13 March 2026 ("**Press Release**"), to leverage the Company as its dedicated China platform, through which existing operations and future acquisitions in China will be consolidated within the Group.

The Chinese Dental Group operates across two complementary business segments which the Group believes offer distinct and many cross referral opportunities for value creation. In respect of the dental services segment, the Chinese Dental Group's network of dental clinics provides a strategic operating base in the central region of China that can be expanded over time. The Group may leverage its experience in scaling, managing and operating dental clinics to optimise the clinical and operational performance of the Chinese Dental Group's network and drive long-term value.

In respect of the medical device technology segment, the Group believes that the Chinese Dental Group's engagement in the technology development and the sale of medical devices presents meaningful synergistic opportunities with its dental services segment. The integration of medical device capabilities within the Chinese Dental Group is expected to enhance greater supply chain efficiency, facilitate the adoption of advanced dental technologies across the Group's clinic network, and potentially generate additional revenue streams for the Group.

In addition, the seller has committed to entering into a long-term service agreement post-completion of the Proposed Acquisition. The seller brings with him operational expertise and substantial experience in building and managing the Chinese Dental Group's business, as well as established relationships with suppliers, skilled professionals, and the broader community in the central region of China. The Group intends to draw on the seller's skills and knowledge to support the continued growth and development of the Chinese Dental Group's clinic network, strengthen its competitive position in the central region of China market, and drive the Group's longer-term expansion plans in China.

3. **NON-COMPETE UNDERTAKING PROVIDED TO Q & M DENTAL GROUP (SINGAPORE) LIMITED**

As disclosed in the Company's offer document dated 18 April 2017, the Company had provided Q & M, its immediate parent company, with a non-compete undertaking ("**Non-Compete Undertaking**") that has been effective since the Company's listing on 26 April 2017. Pursuant to the Non-Compete Undertaking, the Company had undertaken not to engage in the provision of dental services or the provision, distribution or sale of dental equipment and supplies, outside of the Northern PRC Region (as defined below).

The Proposed Acquisition will result in the Company to engage in business activities outside of the Northern PRC Region which is restricted under the Company's Non-Compete Undertaking.

As stated in section 2.3 above, Q & M has in its Press Release mentioned that it intends to leverage the Company as its dedicated China platform, through which existing operations and future acquisitions in China will be consolidated. In this regard, the Company is currently in discussions with Q & M in relation to, among other matters, a potential lifting of the Non-Compete Undertaking. The Company will make further announcements as and when any definitive agreement or material developments arise.

“Northern PRC Region” and “Southern PRC Region” refer to:



4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the best of the Board’s knowledge, as of the date of this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

5. FURTHER ANNOUNCEMENT(S)

The Company will make the necessary announcement(s) in relation to the Proposed Acquisition as and when there are any material developments on the matter, including the signing of any definitive agreements. Such announcement(s) will include, where applicable, details of the consideration, the manner of payment of the consideration, the relative figures under Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST and the financial effects of the Proposed Acquisition.

6. CAUTIONARY STATEMENT

Shareholders of the Company are advised to exercise caution in trading the shares of the Company. There is no certainty or assurance that the Proposed Acquisition will be completed. Shareholders are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Mr. Chua Ser Miang

Non-Executive Chairman and Independent Director

27 March 2026

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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