

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

PROPOSED ACQUISITION OF 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACUMEN DIAGNOSTICS PTE. LTD.

- **ENTRY INTO OF CONDITIONAL SALE AND PURCHASE DEED**
 - **ENTRY INTO OF SHAREHOLDERS' AGREEMENT BETWEEN AOXIN Q & M DENTAL GROUP LIMITED AND Q & M DENTAL GROUP (SINGAPORE) LIMITED**
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1. INTRODUCTION

- 1.1. The Board of Directors (the **Board** or the **Directors**) of Aoxin Q & M Dental Group Limited (the **Company**), together with its subsidiaries, the **Group**) refers to the announcements released by the Company on 16 August 2021 and 19 August 2021 (**Previous Announcements**).
- 1.2. Further to the Previous Announcements, the Board wishes to announce that the Company had on 1 October 2021 entered into a conditional sale and purchase deed (the **SPD**) with each of Acumen Holdings Pte. Ltd. (**Seller 1**) and Ong Siew Hwa (**Seller 2**) (collectively, the **Sellers**) in relation to the proposed acquisition (**Proposed Acquisition**) by the Company of 49% of the issued and paid-up share capital of Acumen Diagnostics Pte. Ltd. (the **Target**) (**Sale Shares**). In this announcement (**Announcement**), the Company and the Sellers shall collectively be referred to as the **Parties**.
- 1.3. Capitalised terms used in this announcement, unless otherwise defined, shall have the definitions ascribed to them in the Previous Announcements.
- 1.4. The Proposed Acquisition, if undertaken and completed, is expected to result in a discloseable transaction under Chapter 10 of Section B: Rules of Catalist of the listing manual (**Catalist Rules**) of the Singapore Exchange Securities Trading Limited (**SGX-ST**). In connection with the Proposed Acquisition, the Company intends to diversify its business and expand its core business to include medical diagnostics business (**Proposed Diversification**). The Proposed Acquisition and the Proposed Joint Venture (as defined below) constitute an interested person transaction under Chapter 9 of Catalist Rules, which are subject to shareholders' approval at an extraordinary general meeting of the Company (**EGM**) to be convened. The Proposed Issue (as defined below), upon Completion (as defined below), will result in Seller 2 becoming a new Controlling Shareholder¹ of the Company. In this Announcement, the Proposed Acquisition, the Proposed Diversification, the Proposed Issue and the Proposed Joint Venture shall collectively be referred to as the **Proposed Transactions**.
- 1.5. Further details of the Proposed Transactions are set out below.

2. INFORMATION RELATING TO THE SELLERS, THE TARGET AND THE TARGET GROUP

The information on the Sellers, the Target and the Target Group (as defined below) in this Announcement was provided by the Sellers. In respect of such information, the Company and the Board have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

2.1 Seller 1

Entity type	:	Private company limited by shares
Place of incorporation	:	Singapore
Date of incorporation	:	6 February 2018
Business Activities	:	Investment holding
Directors	:	(1) Tan Lee Meng

¹ "Controlling Shareholder" means a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company

(2) Pong Chen Yih

- Shareholders : (1) Tan Lee Meng (37.07%)
(2) HC Surgical Specialists Limited (6.12%)
(3) Shinex Capital Pte. Ltd. (6.12%)
(4) Ng Aik Hong (5.10%)
(5) 23 other shareholders (45.59%)²
- Shareholdings in Target : Legal and beneficial owners of 399,480 Sale Shares, representing 13.33% of the issued and paid-up share capital of the Target

2.2 Seller 2

As at the date of this Announcement, Seller 2 is the legal and beneficial owner of 1,070,160 Sale Shares, representing 35.67% of the issued and paid-up share capital of the Target.

2.3 None of the Seller 1 or its directors and shareholders, or Seller 2 is related to any of the Directors, Controlling Shareholders, chief executive officer of the Company and/or their respective associates. As at the date of this Announcement, none of the Seller 1 or its directors and shareholders, or Seller 2 holds shares, directly or indirectly, in the Company (“Shares”).

2.4 The Target Group

- (a) The Target Group consists of the Target and as at Completion, Acumen Research Laboratories Pte. Ltd. (“ARL”) (collectively, the “Target Group”).
- (b) The Target is a private company limited by shares incorporated in Singapore on 9 April 2020. The Target is a medical technology company that focuses on the research, manufacture, sale and distribution of PCR (polymerase chain reaction) diagnostic test kits, as well as conducting of laboratory testing, including but not limited to infectious diseases, cancer and coronavirus (COVID-19) (“Target Business”).
- (c) ARL is a private company limited by shares incorporated in Singapore on 15 March 2010 and principally engaged in the business of providing biomedical research and development services.
- (d) As at the date of this Announcement, the sole director and shareholder of ARL is Seller 2. Seller 2 is required to transfer all of her shares in the capital of ARL to the Target as one of the Conditions (as defined below) for the Proposed Acquisition. Upon Completion, ARL will be a wholly-owned subsidiary of the Target.
- (e) As at the date of this Announcement:
- (i) the directors of the Target are Seller 2, Ng Chin Siau and Chong Kai Chuan; and
 - (ii) the shareholders of the Target are as follows:

Name	Number of Shares	Shareholding Percentage in Target (%)
Q & M Dental Group (Singapore) Limited (“Q & M”)	1,530,000	51.00
Seller 1	399,840	13.33
Seller 2	1,070,160	35.67
Total	3,000,000	100.00

Please refer to **Appendix A** for the shareholding structure of the Target Group.

- (f) Save as disclosed in paragraph 8 of this Announcement and **Appendix D**,
- (i) none of the directors and shareholders of the Target and ARL is related to any of the Directors, Controlling Shareholders, chief executive officer of the Company and/or their

² Each of the 23 other shareholders holds less than 5% of the total and issued paid-up share capital of Seller 1.

respective associates;

- (ii) none of the directors and shareholders of the Target and ARL holds, directly or indirectly, any Shares as at the date of this Announcement.

3. RATIONALE FOR THE PROPOSED TRANSACTIONS

- 3.1 The Singapore Government has started its journey towards “living with COVID-19” strategy as it moves to an endemic COVID-19. The three-pronged strategy of “vaccination, contact tracing and testing” was laid out by the Prime Minister Lee Hsien Loong in a live address recently. With the integration of the Target Business and the Company, the Board is of the opinion that the Target will be able to capture a significant portion of the testing capacity market, in conducting frequent and widespread testing, in support of Singapore’s national strategy. It would also allow the Company to enter the medical diagnostics business in Singapore.
- 3.2 The Proposed Transactions would improve the profitability of the Company through sharing of profits from the Proposed Joint Venture and improve the cashflow position of the Company as and when the Target declares dividends. Over time, the Company will benefit from potential commercial, operational and costs synergies between the Company and the Target.
- 3.3 Given the potential synergies and efficiencies which will be created by the addition of the Target to the business of the Group, and notwithstanding the recent tightening restrictions announced by the Ministry of Health to prevent daily infections from rising at the current rates, the Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and its Shareholders.

4. DETAILS OF THE PROPOSED ACQUISITION

4.1 Principal Terms of the Proposed Acquisition

4.1.1 Purchase Consideration

- (a) The preliminary valuation of the Target (upon completion of the Restructuring Exercise (as defined in Appendix B)) is S\$60 million (“**Preliminary Valuation**”). The Preliminary Valuation was derived based on the latest financial statements of the Target and taking into account the earnings and growth prospects of the Target Business. The Company has appointed Cushman & Wakefield VHS Pte Ltd as the independent valuer to further assess the Preliminary Valuation and is expected to issue its formal valuation report which will be set out in the Circular (as defined below).
- (b) The purchase consideration for the Sale Shares is S\$29.4 million (“**Purchase Consideration**”) which will be satisfied by way of the allotment and issuance of new ordinary shares in the capital of the Company (“**Consideration Shares**”) at an issue price, calculated in accordance with sub-paragraph (c) (“**Issue Price**”), credited as fully paid-up and ranking *pari passu* in all respects with the existing shares in the capital of the Company (“**Proposed Issue**”).
- (c) The Issue Price of each Consideration Share shall be S\$0.231, which is a premium of 14.64% to the volume weighted average price (“**VWAP**”) of S\$0.2015 (*Source: Bloomberg L.P.*) per Share for Shares trades on the SGX-ST on 30 September 2021, being the last trading day for the Shares prior to the date of the SPD.
- (d) The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, after negotiations which were conducted on an arm’s length basis between the Company and the Sellers, taking into account several factors including, *inter alia*, (i) the Preliminary Valuation; and (ii) Singapore’s national strategy towards aggressive testing in view of the COVID-19 pandemic, which is expected to fuel the demand for the Target Business.
- (e) For the avoidance of doubt, there is no profit guarantee provided by the Sellers to the Company.

4.1.2 Conditions

Completion is conditional upon, *inter alia*, the conditions set out in **Appendix B** to this Announcement (the “**Conditions**”, each a “**Condition**”) being satisfied or waived in accordance with the terms of the SPD.

4.1.3 Completion

- (a) Completion of the Proposed Acquisition (“**Completion**”) is expected to take place on a date

falling no later than ten (10) business days after the date on which all the Conditions (other than the Conditions to be fulfilled on completion date) are fulfilled or waived by the Sellers or the Company (as the case may be), or such other date as may be mutually agreed, in writing by the Parties ("**Completion Date**").

- (b) The Conditions shall be satisfied on or prior to the date falling six (6) months from the date of the SPD, or such other date as may be mutually agreed in writing by the Parties, failing which the SPD shall automatically terminate and cease to have further effect. No Party shall have any claim against the other Parties, save for antecedent breaches and claims, provided that such other party had used reasonable endeavours to achieve satisfaction of each Condition.
- (c) The sale and purchase of all the Sale Shares shall take place contemporaneously. The sale and purchase of any part of the Sale Shares held by any Seller(s) shall not take place unless completion of the sale and purchase of all the Sale Shares between the Company and all the Sellers take place simultaneously in accordance with the terms and conditions of the SPD.
- (d) On Completion, Seller 2 shall deliver to the Company, among others, an undertaking and, if required by the Company, a deed of trust executed by Seller 2 in favour of the Company, the Target and/or ARL, in each case, in a form to be agreed in writing between Seller 2 and the Company and to the effect that any grant monies issued to 苏州睿智昊明医疗科技有限公司 (the "**PRC Entity**") that is being held by Seller 2 is held on trust for the Target or ARL with effect from the Completion Date. Seller 2 represents that she is the sole shareholder of the PRC Entity. The PRC Entity had previously applied for a grant from the healthcare authorities in China for an amount of RMB 3 million (or equivalent to approximately S\$0.6 million). As at the date of the SPD, 50% of the grant monies has been disbursed to the PRC Entity and no funds have been used by the PRC Entity for any purposes yet.

4.1.4 Shareholders' Agreement

On or prior to Completion, a shareholders' agreement ("**SHA**") shall be entered into amongst the Company, the Target and Q & M in relation to the regulation of the affairs, management and governance of the Target amongst its members ("**Proposed Joint Venture**"). The parties involved are presently negotiating the terms of the SHA and further details of the SHA will be provided in the Circular (as defined below).

4.1.5 Moratorium Undertakings

- (a) The Consideration Shares shall be subject to a moratorium.
- (b) Each Seller covenants and undertakes not to (directly or indirectly), *inter alia*, offer, pledge, sell, contract to sell, grant any option, or otherwise transfer or dispose of the following number of Shares (or any part of their respective interests in such Shares) during the Moratorium Period (as defined below) in accordance with the distribution schedule ("**Distribution Schedule**") set out in **Appendix C** (the "**Moratorium**"), without the prior written consent of the Company.
- (c) Notwithstanding the above, during the Moratorium Period, Seller 1 shall be entitled to distribute any number of Consideration Shares to its shareholders (the "**Seller 1 Shareholders**") by way of a dividend in specie, capital reduction or such other methods of distribution as may be permitted under applicable laws (the "**Seller 1 Distribution**"), provided that Seller 1 shall notify the Company in writing of the proposed Seller 1 Distribution on or prior to the date falling five (5) Business Days prior to the date of the Seller 1 Distribution. In the event of a Seller 1 Distribution, Seller 1 shall procure that the Seller 1 Shareholders shall provide an undertaking in favour of the Company, in a form to be agreed between Seller 1 and the Company, that such Shares which have been distributed to the Seller 1 Shareholders shall be subject to the Moratorium during the Moratorium Period in accordance with the Distribution Schedule.
- (d) Each Seller may dispose (whether in a single or series of transactions) all of the remaining Consideration Shares held by such Seller, if not disposed previously, following the expiry of the Moratorium Period.
- (e) In the event that Seller 2 resigns as the Chief Executive Officer of the Target for reasons other than any of the Involuntary Reasons (as defined below) at any time prior to the end of the Moratorium Period (the "**Resignation Event**"):
 - (i) The Company shall be entitled to require Seller 2 to sell, or to sell for on and behalf of Seller 2, all or any part of the Shares (either in the form of scrip shares or scripless

shares) which are being held in her designated CDP account as at the date of the Resignation Event to any person or entity nominated by the Company at the price which is not less than the VWAP Sale Floor Price (as defined below) (or such other price as may be agreed in writing between Seller 2 and the Company) (such sale of the Shares, the “**Sale Event**”); and

- (ii) The Company shall be entitled to retain for its own account all the Sale Proceeds and where applicable, Seller 2 shall account, and pay, to the Company all the Sale Proceeds within three Business Days of her receipt of the Sale Proceeds; and
 - (iii) Seller 2 shall have no claims whatsoever against the Company in relation to any of the Sale Proceeds.
- (f) In this paragraph 4.1.5:
- (i) “**Moratorium Period**” means a period of nine (9) years commencing from the date on which the Consideration Shares allotted and issued to each Seller (or such other period as may be agreed between the Parties);
 - (ii) “**Involuntary Reasons**” means the occurrence of any of the following events during the Moratorium Period:
 - (1) Seller 2 becomes of unsound mind (or if Seller 2 becomes a patient within the meaning of the Mental Health (Care and Treatment) Act, Chapter 178A of Singapore); or
 - (2) Seller 2 becomes permanently incapacitated by accident or ill-health or otherwise unable to perform or discharge her duties under her service agreement and for the purpose of this sub-clause, any incapacity for any continuous period of six (6) calendar months in any period of twelve (12) calendar months (or such other period as the Board may otherwise determine) shall deemed to be permanent incapacity;
 - (3) Seller 2 becomes deceased; or
 - (4) Seller 2 resigns for reasons which constitute a constructive dismissal of Seller 2 by the Target (as determined by the Singapore courts in a final and non-appealable decision).
 - (iii) “**VWAP Sale Floor Price**” means such price per Share which is not less than the three-month volume weighted-average price per Share for Shares trades on the SGX-ST on the date of the Resignation Event (or such other price as may be agreed in writing between Seller 2 and the Company);
 - (iv) “**Sale Proceeds**” means:
 - (1) in the event that the Shares have been sold at a price which is higher than S\$0.231 per Share, the amount per Share which is equal to the aggregate of:
 - (x) S\$0.231 per Share; and
 - (xi) such amount per Share which is equal to 50% of (A) the entire sale proceeds per Share arising from the Sale Event, **less** (B) an amount equal to \$0.231 per Share; and
 - (2) in the event that the Shares have been sold at a price which is equal to or less than S\$0.231 per Share, the entire sale proceeds arising from the Sale Event.

4.1.6 **Costs and Expenses**

The Company shall bear the stamp duty payable on the transfer of the Sale Shares from the Sellers to the Company pursuant to the Proposed Acquisition (“**Stamp Duty**”). Save for the Stamp Duty, each Party shall bear its own costs and expenses in relation to the Proposed Transactions and in particular, with regard to any invoices raised by professional advisers appointed by each Party.

4.1.7 Proposed Acquisition and Proposed Joint Venture as Interested Person Transactions

As at the date of this Announcement, Q & M, a company incorporated in Singapore and listed on the Mainboard of the SGX-ST, holds 167,670,838 Shares, representing approximately 43.94% of the issued and paid-up share capital of the Company. As such, Q & M, being a Controlling Shareholder of the Company, is deemed an "interested person" under Chapter 9 of the Catalist Rules. The Proposed Joint Venture thus constitutes an interested person transaction under Chapter 9 of Catalist Rules.

On 17 September 2021, following a consultation from the sponsor on behalf of the Company, the Singapore Exchange Regulation ruled that:

- (a) as the Proposed Acquisition will result in the establishment of the Proposed Joint Venture, each of the Proposed Acquisition and the Proposed Joint Venture constitutes an interested person transaction under Chapter 9 of the Catalist Rules; and
- (b) the value at risk of for each of the Proposed Acquisition and Proposed Joint Venture is S\$29.4 million, being the Purchase Consideration.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("FY2020"), the audited consolidated net tangible assets ("NTA") of the Group was approximately RMB 92.81 million (or equivalent to S\$18.8 million). The value at risk of the Proposed Acquisition and Proposed Joint Venture expressed as a percentage of the Group's latest audited consolidated NTA value for FY2020 is approximately 156%. As this value exceeds 5% of the Group's latest audited consolidated NTA value for FY2020, pursuant to Rule 906 of the Catalist Rules, each of the Proposed Acquisition and Proposed Joint Venture constitutes an interested person transaction which is subject to the approval of the shareholders of the Company.

4.1.8 The Aggregate of All Interested Person Transactions

Pursuant to Rule 917(5) of the Catalist Rules, the current total of all interested person transactions during the course of the financial year ending 31 December 2021, up to the date of this Announcement are as follows:

Name of interested person	Amount (S\$'000)
QA Healthcare Solution Pte. Ltd., a 51%-owned subsidiary of Q & M – Provision of clinic management software	38.5
EM2AI Pte. Ltd., a wholly-owned subsidiary of Q & M – Service fee	57.0

Save as disclosed above, no other interested person transactions were entered into between the Company and Q & M or its associates.

5. THE PROPOSED ACQUISITION AS A DISCLOSEABLE TRANSACTION

- 5.1 The relative figures of the Proposed Acquisition computed on the bases set out in Catalist Rules 1006(a) to 1006(e) are as follows:

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽²⁾	-367.73 ⁽³⁾
1006(c)	The aggregate value of the consideration given or received, compared with the Group's market capitalisation based on the total number of issued shares excluding treasury shares.	38.24 ⁽⁴⁾
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	33.35 ⁽⁵⁾

Catalist Rule	Basis of Calculation	Relative Figure (%)
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁶⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profit or loss including discontinued operations that have not been disposed of, before income tax and non-controlling interests.
- (3) The relative figure is derived using the net profits attributable to the Sale Shares based on the unaudited pro forma consolidated financial statements of the Target Group for the six-month-period ended 30 June 2021 ("1H21") which includes (1) the unaudited management accounts of the Target for 1H21; and (2) the unaudited management accounts of ARL for the six-month-period ended 31 August 2021, being S\$4.67 million; and (3) the Group's net loss based on the latest unaudited consolidated interim financial statements for 1H21, being RMB 6.17 million (or equivalent to S\$1.28 million). For avoidance of doubt, the financial due diligence on the unaudited management accounts of the Target Group is still ongoing and thus not finalised.
- (4) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. In this instance, (a) the Purchase Consideration in the SPD is S\$29.4 million; (b) the market value of the 127,272,726 Consideration Shares is S\$25.65 million based on VWAP of S\$0.2015 (Source: *Bloomberg L.P.*) on 30 September 2021, being the last trading day for the Shares prior to the date of the SPD; and (c) the net asset value represented by the Consideration Shares is S\$15.13 million computed based on the Group's net asset value per Share as at 30 June 2021 of RMB 0.57 (or equivalent to S\$0.12). Based on the above, for the purpose of Rule 1006(c) of the Catalist Rules, the consideration for the Proposed Acquisition is deemed to be S\$29.4 million (being the highest of (a) to (c) above). The Company's market capitalisation of S\$76.9 million is determined by multiplying the 381,574,909 Shares in issue as the date of this Announcement with the VWAP of S\$0.2015 (Source: *Bloomberg L.P.*) on 30 September 2021, being the last trading day for the Shares prior to the date of the SPD.
- (5) The number of new Shares to be issued by the Company as consideration for the Proposed Acquisition is 127,272,726 Consideration Shares. The number of Shares in issue as at the date of this Announcement is 381,574,909 Shares.
- (6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

5.2 The relative figure under Rule 1006(b) of the Catalist Rules is negative figure. Applying paragraph 4.4(b) of Practice Note 10A of the Catalist Rules, as

- (a) the absolute figure computed on the basis of each of Rule 1006 (c) and (d) of the Catalist Rules does not exceed 75%; and
- (b) the net profit attributable to the Sale Shares for 1H21 represents 367.73% of the net loss of the Group for 1H21,

the Proposed Acquisition is a "Discloseable Transaction" under Rule 1010 of the Catalist Rules. Notwithstanding that the relative figure under Rule 1006(b) of the Catalist Rules exceeds 100%, Rule 1015(8) of the Catalist Rules provides that Rule 1015 does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b) of the Catalist Rules.

However, as each of the Proposed Acquisition and Proposed Joint Venture constitutes an interested person transaction under Chapter 9 of the Catalist Rules which is subject to the approval of the shareholders of the Company, the Company will convene an EGM for this purpose.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Financial Information

The Target's financial year end is 31 December while ARL's financial year end is 28 February.

Based on the latest unaudited pro forma consolidated financial statements of the Target Group for 1H21 which includes the consolidation of the unaudited management accounts of the Target for 1H21 and the unaudited management accounts of ARL for the six-month-period ended 31 August 2021:

- (a) the NTA of the Sale Shares is S\$3.77 million;
- (b) the book value of the Sale Shares is S\$4.99 million;
- (c) the net profits before tax attributable to the Sale Shares is S\$4.67 million; and
- (d) the net profits after tax attributable to the Sale Shares is S\$4.17 million.

6.2 The financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the following bases and assumptions:

- (a) the Group's audited consolidated financial statements for FY2020;
- (b) the unaudited pro forma consolidated financial statements of the Target Group for the latest full financial year which includes the consolidation of the management accounts of the Target for FY2020 and the management accounts of ARL for the financial year ended 28 February 2021. For avoidance of doubt, the financial due diligence on the unaudited management accounts of the Target Group is still ongoing and thus not finalised;
- (c) for the purposes of computing the effect of the Proposed Acquisition on the NTA per Share, it is assumed that the Proposed Transactions had been completed on 31 December 2020;
- (d) for the purposes of computing the effect of the Proposed Acquisition on the loss per Share ("LPS"), it is assumed that the Proposed Transactions had been completed on 1 January 2020; and
- (e) an estimated amount of S\$200,000 is provided for costs and expenses including professional fees in respect of the Proposed Transactions.

6.3 NTA per Share of the Group

NTA	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA (S\$'000)	18,795	47,339
Number of issued shares ('000)	381,575	508,848
Consolidated NTA per share (S\$ cents)	4.93	9.30

6.4 LPS of the Group

LPS	Before the Proposed Acquisition	After the Proposed Acquisition
Loss attributable to owners of the Company (S\$'000)	(2,420)	(2,620)
Weighted average number of issued shares ('000)	381,575	508,848
LPS - Basic (S\$ cents)	(0.63)	(0.51)

7. PROPOSED TRANSFER OF CONTROLLING INTEREST

- 7.1 Rule 803 of the Catalyst Rules provides that the Company must not issue securities to transfer a Controlling Interest³ without the prior approval of the Shareholders in general meeting.
- 7.2 Pursuant to the Proposed Transactions, the 127,272,726 Consideration Shares represent approximately 33.35% of the share capital of the Company and approximately 25.01% of the enlarged share capital of the Company (in each case, excluding treasury shares and subsidiary holdings) following the Completion, assuming no other new issuance of Shares up to Completion Date.
- 7.3 Pursuant to the Proposed Transactions, it is contemplated that Seller 1 and Seller 2 shall be issued such number of Consideration Shares representing approximately 6.80% and 18.21% of the enlarged share capital of the Company (excluding treasury shares and subsidiary holdings), respectively, upon Completion, assuming no other new issuance of Shares up to Completion Date. Accordingly, Seller 2 will become a Controlling Shareholder of the Company and specific shareholders' approval will be required for the issuance of the Consideration Shares to Seller 2.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 8.1 **Appendix D** to this Announcement sets out the interests of the Controlling Shareholders of the Company in the Target as of the date of this Announcement.
- 8.2 Mr. San Yi Leong @ Tan Yi Leong, Executive Director and Deputy CEO of the Group, is the brother-in-law of Dr. Ng Chin Siau, the Executive Director and Group CEO of Q & M, a Controlling Shareholder of the Company. Mr. San Yi Leong @ Tan Yi Leong has abstained from voting on Board resolutions relating to the Proposed Transactions.
- 8.3 Save as provided in this Announcement, none of the Directors, and to the best of the Directors' knowledge, none of the Controlling Shareholders of the Company, and their respective associates, has any interest, direct or indirect, in the Proposed Transactions other than through their direct or indirect shareholdings in the Company, if any.

9. AUDIT COMMITTEE STATEMENT

The Audit Committee comprising the three independent non-executive Directors will form its view on whether the Proposed Acquisition and Proposed Joint Venture are on normal commercial terms and whether such transactions are prejudicial to the interests of the Company and its minority Shareholders after considering the IFA Opinion as set out in section 12 of this Announcement.

10. SERVICE CONTRACTS

- 10.1 On Completion, it is contemplated that:
- (a) the Company shall appoint its representative as a director of the Target;
 - (b) Seller 2 shall enter into a service agreement with the Company in respect of her appointment as an executive non-independent Director of the Company;
 - (c) The Nominating Committee of the Company shall appoint Seller 2 as an executive non-independent Director of the Company; and
 - (d) Q & M and Dr. Shao Yongxin have separately undertaken to vote in favour of the appointment of Seller 2 as an executive and non-independent Director of the Company at the EGM.
- The details of such appointments and service contracts (if any) will be set out in the Circular (as defined below) to be despatched or disseminated to Shareholders in due course.
- 10.2 Save as disclosed in paragraph 10.1,
- (a) no other person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition; and
 - (b) accordingly, no service contract is proposed to be entered into between the Company and any such person.

³ "Controlling Interest" means the interest of the Controlling Shareholder(s)

11. CIRCULAR TO SHAREHOLDERS

- 11.1 The Company will be seeking specific approval of shareholders of the Company at the EGM for the Proposed Transactions.
- 11.2 A circular setting out amongst others, the terms of the Proposed Transactions, together with a notice of EGM, will be despatched or disseminated by the Company to Shareholders in due course ("**Circular**").
- 11.3 Q & M and Dr. Shao Yongxin have separately undertaken to vote in favour of the resolutions in relation to the Proposed Transactions, except that Q & M did not undertake to vote for those resolutions which Q & M will be required to be abstained from voting under the applicable laws and regulations and will not accept appointments as proxies unless specific instructions as to voting are given.

12. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Xandar Capital Pte. Ltd. as the independent financial adviser ("**IFA**") to provide an opinion on whether the Proposed Acquisition and Proposed Joint Venture are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders (the "**IFA Opinion**"). The Directors who are independent of the Proposed Acquisition and Proposed Joint Venture will form their view after considering the IFA Opinion. The view of the Directors who are independent of the Proposed Acquisition and Proposed Joint Venture will be set out in the Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

- 13.1. A copy of the SPD will be made available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 for three (3) months from the date of this Announcement.
- 13.2. Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, such physical inspection may be restricted. Please write in to qnm@aoxin.sg prior to making any visits to arrange for a suitable time slot for the inspection.

14. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to the Conditions and due diligence. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition 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 on the Proposed Transactions and other matters contemplated by this Announcement. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares of the Company. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

15. RESPONSIBILITY STATEMENT

- 15.1 The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Sellers and the Target Group) 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 Transactions, 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.
- 15.2 The Sellers accepts full responsibility for the accuracy of the information given in this Announcement in respect of the Sellers and the Target Group, and confirms after making all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed by them in this Announcement in respect of the Sellers and the Target Group are fair and accurate in all material respects as at the date hereof, and the Sellers are not aware of any material facts in respect of the Sellers and the Target Group, the omission of which would make any statement in respect of the Sellers and the Target Group in this Announcement misleading.

BY ORDER OF THE BOARD

Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer
4 October 2021

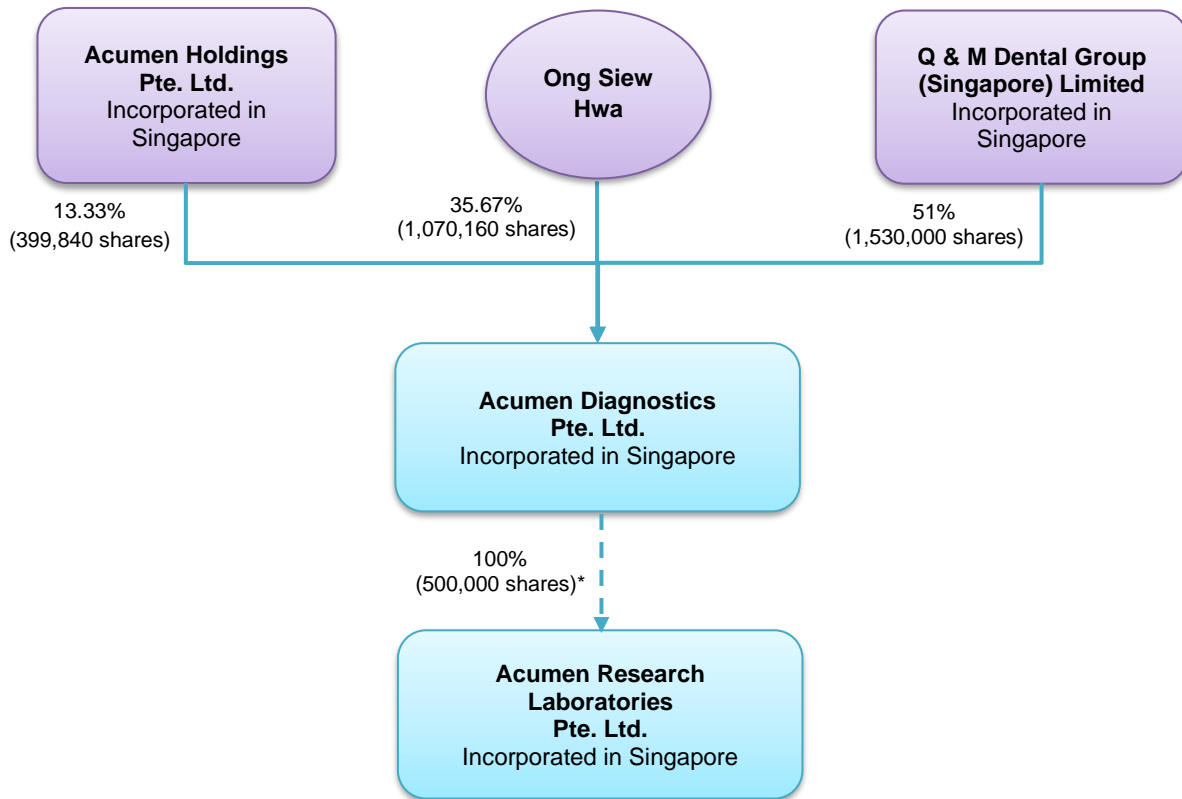
For more information, please contact:
Deputy CEO Ryan San Yi Leong @ Tan Yi Leong
Tel: 6235 1188 Email: ryan@aoxin.sg

This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange 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 Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542.

APPENDIX A

SHAREHOLDING STRUCTURE OF THE TARGET GROUP



* The acquisition of the total issued and paid-up share capital of Acumen Research Laboratories Pte. Ltd. will be completed as a Condition under the SPD.

APPENDIX B

KEY CONDITIONS

The agreement to sell and purchase the Sale Shares and Completion shall be conditional upon satisfaction (or waiver in accordance with the SPD) of *inter alia* the following conditions:

A. Conditions to be satisfied by the Sellers

- (a) The results of a due diligence exercise (being legal, commercial, tax, financial and technical due diligence, as would be required for transactions of such nature) over the Target and its subsidiaries (if any) ("**Due Diligence Investigations**"), being reasonably satisfactory to the Company;
- (b) the rectification, or the procurement of such rectification, to the reasonable satisfaction of the Company, by each Seller, of all material issues or irregularities uncovered by the Company and its representatives during the Due Diligence Investigations (if any);
- (c) in the manner reasonably satisfactory to the Company, the completion of the transfer all the shares in the capital of ARL by Seller 2 to the Target in accordance with the applicable laws, such that ARL becomes a wholly owned subsidiary of the Target (the "**Restructuring Exercise**") and Seller 2 having provided evidence in a form reasonably satisfactory to the Company that the Restructuring Exercise has been completed in accordance with all applicable laws;
- (d) the termination of the Existing Joint Venture Agreement expressed to take effect on or prior to the Completion Date;
- (e) the execution of the SHA which is expressed to take effect on or prior to the Completion Date;
- (f) the Target having obtained all applicable authorisations which are necessary under any applicable law in Singapore to:
 - (i) enable the Company to be registered as holder of any and all of the Sale Shares; and
 - (ii) to give effect to the Proposed Acquisition;

such authorisations not having been revoked, expired, amended or withdrawn on or before the Completion Date, and where any such Authorisation is subject to conditions, such conditions being reasonably acceptable to the Company and if required to be fulfilled by a particular date, being so fulfilled, and such authorisation remaining valid and in full force and effect, where applicable;

- (g) all necessary authorisations having been granted in connection with the SPD by any third party who is a contracting party to any agreement that is material to the Target Business having been obtained, remaining valid and in force and not having been withdrawn, suspended, amended or revoked as at the Completion Date, in each case, to the reasonable satisfaction of the Company and where any authorisations are subject to conditions, such conditions being reasonably satisfactory to the Company and if required to be fulfilled by a particular date, being so fulfilled, and such authorisations remaining valid and in full force and effect, where applicable;
- (h) all necessary authorisations from or with all relevant governmental agencies in relation to the Target and the Target Business having been obtained, remaining valid and in force and not having been withdrawn, amended or revoked as at the Completion Date, nor subject to conditions not acceptable to the Company;
- (i) the Sellers are the sole legal and beneficial owner of their respective Sale Shares, free from any encumbrances, on Completion;
- (j) the warranties provided by the Sellers in the SPD remaining true, complete, accurate and not misleading in all respects; and
- (k) there not having occurred any matter, fact or circumstance which would have a material adverse effect;

B. Conditions to be satisfied by the Company

- (l) such necessary authorisations from or with all relevant governmental agencies and other third parties (if any) of the Company in connection with the SPD having been obtained, remaining valid and in force and not having been withdrawn, suspended, amended or revoked as at the Completion Date, including the approval of the Board and the approval of the shareholders in an EGM for, amongst others:

- (i) the Proposed Diversification;
 - (ii) the Proposed Acquisition;
 - (iii) the Proposed Issue and the allotment and issuance of the Consideration Shares to Seller 2 such that Seller 2 will become a new controlling shareholder of the Company under Chapter 8 of the Catalist Rules;
 - (iv) (where applicable) the Proposed Acquisition and the Proposed Joint Venture as an interested person transaction under Chapter 9 of the Catalist Rules; and
 - (v) the appointment of Seller 2 as an executive and non-independent director of the Company with effect from Completion;
- (m) allotment, issue and subscription of the Consideration Shares, not being prohibited by any applicable law promulgated or issued after the date of the SPD by any governmental agency of Singapore or elsewhere, which is applicable to the Target and/or the Company;

C. Other conditions

- (n) the approval of the SGX-ST (where applicable) for the transactions contemplated under the SPD, including, *inter alia*, the Proposed Acquisition, and the listing of, and quotation for, the Consideration Shares on the Catalist Board, if required, having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and, where such approval is subject to any conditions, to the extent that such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled; and
- (o) (where applicable) an unqualified opinion from the IFA stating that the terms of the Proposed Acquisition and Proposed Joint Venture, each being an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and minority shareholders of the Company.

APPENDIX C

Moratorium Shares

	(A) Period of Time	(B) Percentage of Consideration Shares subject to Moratorium	(C) Number of Consideration Shares under Moratorium (Seller 1)	(D) Number of Consideration Shares under Moratorium (Seller 2)
1.	Completion Date to 3rd Anniversary from Completion Date (" 3rd Anniversary Date ")	70%	24,232,727	64,858,182
2.	3rd Anniversary Date to 4th Anniversary Date (" 4th Year ")	60%	20,770,909	55,592,727
3.	5th Year	50%	17,309,091	46,327,273
4.	6th Year	40%	13,847,273	37,061,818
5.	7th Year	30%	10,385,455	27,796,364
6.	8th Year	20%	6,923,637	18,530,909
7.	9th Year	10%	3,461,819	9,265,455

APPENDIX D

DISCLOSURE OF INTERESTS

The interests of the Controlling Shareholders of the Company in the Target as at the date of this Announcement are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Q & M	1,530,000	51.00	-	-	1,530,000	51.00
Quan Min Holdings Pte. Ltd.	-	-	1,530,000 ⁽¹⁾	51.00	1,530,000	51.00
Ng Chin Siau	-	-	1,530,000 ⁽²⁾	51.00	1,530,000	51.00

Notes:

- (1) By virtue of section 7 of the Companies Act (Cap. 50) of Singapore, Quan Min Holdings Pte. Ltd. is deemed to be interested in the 1,530,000 shares held by Q & M in the Target, as Quan Min Holdings Pte. Ltd. has a direct interest in 51.30% of the total issued and paid-up shares of Q & M.
- (2) By virtue of section 7 of the Companies Act (Cap. 50) of Singapore, Ng Chin Siau is deemed to be interested in the 1,530,000 shares held by Q & M in the Target, as Ng Chin Siau has a deemed interest in (i) the 51.30% shares of Q & M held by Quan Min Holdings Pte. Ltd.; and (ii) 121,200 shares in Q & M held by his spouse, Foo Siew Jiuan.