



AOXIN Q&M

AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration Number 201110784M)

(Incorporated in the Republic of Singapore)

DEVELOPMENT OF NEW HOSPITAL AT PANJIN CITY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Aoxin Q&M Dental Group Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) wishes to announce the Company plans to set up a new dental hospital at the Panjin City, Liaoning Province, China (the “**Project**”).

Details of the Project are set out below.

2. INFORMATION

2.1 Background

Panjin City is ranked second in per capita income in Liaoning Province, China. It has developed and well-established industries such as oil & gas, agriculture & marine farming and tourism which are supported by good infrastructure. The population of Panjin City is approximately 1.4 million out of which 66% are urbanised¹.

Despite the high per capita income, the dental services in Panjin City is very fragmented with many small clinics that provide limited dental services. The Group currently has three substantial practices with more than ten years of reputation for quality of services, familiarity of local conditions as well as an established customer base. Hence, this is an opportunity to enlarge the Group’s presence and strengthen its foothold in this city through the setting up of the hospital.

2.2 Principal activities

The hospital will provide a wide spectrum of dental care and treatment including endodontic, orthodontic, periodontics, paedodontics and dental surgery. It will be set up in accordance with internationally recognised standards with particular emphasis on hygiene and comfortable surroundings. One of its key focus will be paedodontics which is the provision of dental treatment for children.

¹ <http://tj.panjin.gov.cn/pcgb/content/40288bd75336104e01534ea4abda0aa1.html>

3. INVESTMENT

The Group will incorporate a wholly-owned subsidiary to operate the hospital. The investment is estimated to be approximately RMB 12 million (approximately S\$2.4 million²), which will be carried out in several phases over a period of two years. The key costs for the Project will be fully satisfied in cash and comprises of the following: (i) renovation expense of approximately RMB 5 million (approximately S\$1.0 million), (ii) equipment cost of approximately RMB 5 million (approximately S\$1.0 million), and (iii) working capital of approximately RMB 2 million (approximately S\$0.4 million). The Project will be funded through internal resources and the net proceeds from its placement of shares pursuant to the Company's initial public offering ("IPO") in April 2017. Subsequent to the investment in the Project, the status on the use of the IPO net proceeds is as follows:

Use of Proceeds	Amount allocated	Amount utilised	Balance of net proceeds as at the date of this Announcement
	S\$ million	S\$ million	S\$ million
Expansion of business through organic growth, mergers and acquisitions, joint ventures and partnerships	6.4	2.0	4.4
Enhancement of infrastructure and working capital purposes	2.7	-	2.7
Net proceeds from IPO	9.1	2.0	7.1

4. RATIONALE FOR THE PROJECT

The Directors are of the view that the Project is in the best interests of the Company and its shareholders as the Project is in line with the Company's expansion of its dental business in Northern China and allows the Company to add a fully operational hospital. Barring any unforeseen circumstances, the hospital is expected to commence operations in 1Q2018.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

² Based on an exchange rate of S\$ 1 : RMB 4.9

6. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

7. FURTHER ANNOUNCEMENT

The Company will make relevant update announcements as and when required.

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

Dr. Shao Yongxin
Executive Director and
Group Chief Executive Officer
21 August 2017

For more information please contact:

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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 Mr Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.