



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

RESPONSES TO SGX QUERIES

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 queries raised by the Singapore Exchange Regulation (“**SGX**”) on 23 September 2024 in relation to the Company’s announcement issued on 29 June 2024 and 16 September 2024 (“**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Announcements. The Company’s responses are as follows:

SGX Query 1

1. We note that Dr Ong has been placed on a leave of absence to facilitate investigations by the Acumen Board on Dr Ong’s actions for the “acquisition of an indirect interest in the assets of a supplier and ancillary issues arising from it.”

- a) Please provide an update on the status and an expected timeline for the completion of the investigation/ review into Dr Ong.
- b) Please provide the Board’s assessment of the impact of (a) and Dr Ong’s absence on Acumen’s operations.

Company’s Response

a) Acumen Diagnostics Pte Ltd (“**Acumen**”), a 49% associated company of Aoxin Q&M Dental Group Limited (the “**Company**” or “**Aoxin**”), has appointed CLA Global TS Risk Advisory Pte Ltd (“**CLA Global TS**”) to assist in fact finding and a review of the matter. CLA Global TS is the internal auditor for both Q&M Dental Group (Singapore) Limited (“**Q&M**”) and Aoxin. As at the date of this announcement, Acumen is a subsidiary of Q&M. CLA Global TS has completed its draft review and is targeting the finalisation of report to the board of directors of Acumen by next week. In view of the findings, the Acumen and Aoxin boards are seeking legal advice on the impact of the matter and will decide on the next course of actions.

b) After Dr Ong’s Leave of Absence (“**LOA**”), the existing management team of Acumen, together with additional management staff transferred from Q&M, continue to manage both its business segments, namely (1) clinical laboratory (up till 15 September 2024) which offers clinical molecular diagnostics tests for infectious diseases such as respiratory, gastrointestinal, urinary tract infections to doctors for managing both in and outpatients. Acumen also offers other screening tests such as pharmacogenetics and previously, cancer detection screening tests, and (2) Joint Testing and Vaccination Centre (“**JTVC**”) run under a tender contract with MOH, offering Covid Vaccinations to the Singapore public, who are able to book their appointments online, or walk-in to the JTVC site currently situated at Sengkang to receive their vaccinations.

No material disruptions to the operations of Acumen were noted following the LOA.

While the clinical laboratory service licence is necessary for the operations of the clinical laboratory business segment, the business volume of this segment has been small since the shift away from

polymerase chain reaction (“PCR”) testing in Singapore in late 2022. As a result, the laboratory business segment has reported losses in financial year ended 31 December 2023 (“FY2023”) and first half ended 30 June 2024 (“1H2024”). For details on the circumstances surrounding the expiry of the clinical laboratory license, please refer to the Company’s announcement dated 16 September 2024.

The JTVC business segment has been well taken over by the new management team and running smoothly.

SGX Query 2

2. Based on the latest half year results for the period ended 30 June 2024, Acumen contributes RMB 2.68 million as share of profit of associate. We also note that MOH has not granted Acumen the renewal of the Laboratory license following its expiry on 15 September 2024.

a) Please provide the Board’s assessment on the impact of the expiry of the Laboratory Licence on Acumen’s operations and the Company’s financials.

b) Other than the Laboratory License, what other regulatory approvals / licenses do Acumen and its laboratories, as well as its key management, need in order to continue its operations? Are these licenses and approvals in place?

c) What are Aoxin’s plans with regards to Acumen moving forward?

Company’s Response

a) Acumen was profitable in FY2023 and 1H2024 solely due to income received from the government contract for operating the JTVC which is currently ongoing. Income from the JTVC segment has managed to cover the losses incurred by the clinical laboratory business in FY2023 and 1H2024.

Given the poor performance of the clinical laboratory business segment since the scaling down of PCR testing in Singapore, the non-renewal of the Laboratory Licence is not expected to materially impact the operations of Acumen or Aoxin. The board of directors of Acumen is considering the next steps to be taken, including but not limited to applying to the MOH for a new Laboratory Licence. Depending on the future plans that Acumen’s board of directors have for Acumen’s business, the Board of Aoxin will assess and review the consequential financial impact on the earnings per share and net tangible assets per share of the Aoxin Group for the current financial year ending 31 December 2024.

b) In order to carry out its clinical laboratory services, Acumen would require a Laboratory Licence (which expired on 15 September 2024), supported by a principal officer (“**PO**”) and a clinical governance officer (“**CGO**”), The new appointment of the PO and CGO are subject to the approval from MOH. Prior to the expiry of the Laboratory Licence, Acumen’s PO was Dr Ong Siew Hwa, while the CGO was Dr Chiew Yoke Fong. As the Laboratory License expired on 15 September 2024 (as announced on 16 September 2024), Acumen currently does not possess the Laboratory License to run the clinical laboratory business.

In relation to JTVC, Acumen requires an off-site medical license and is currently applying for the renewal of this license which is expiring in early November 2024.

c) Given the major policy shift away from PCR testing by the Singapore government over the past 1-2 years, the Acumen board will be re-assessing the business model of Acumen. In this regard, Aoxin intends to continue providing support to Acumen in its future business strategies in both business segments where applicable.

The Company will make further announcement(s) to keep shareholders updated as and when there are material developments to the matter.

By Order of the Board

Mr. Chua Ser Miang
Non-Executive Chairman and Independent Director

24 September 2024

For more information, please contact:

Financial Controller

Loo Keat Choon
Tel: 6235 1188
Email: calvin@aoxin.sg

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "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 Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg