



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 SECOND 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 17 April 2026 (the “**China MOU**”) in respect of the proposed acquisition of a second dental group in China (the “**Second Chinese Dental Group**”) (the “**Proposed Acquisition**”).

The Company had previously on 27 March 2026 announced its entry into a non-binding memorandum of understanding dated 25 March 2026 (the “**March MOU**”) in respect of the Group’s acquisition of a dental group in the People’s Republic of China (“**PRC**”). The Company would like to highlight to Shareholders that the Second Chinese Dental Group which is the subject of the Proposed Acquisition in this announcement is separate and independent from the target group which the Group intends to acquire pursuant to the March MOU. Shareholders should refer to the Company’s announcement dated 27 March 2026 for further information on the March MOU.

2. PROPOSED ACQUISITION

2.1 Information on the Second Chinese Dental Group

The Second Chinese Dental Group is a dental and medical services group based in the southern region of the PRC. It operates a network of close to 15 dental clinics in the southern region of the PRC, supported by a team of approximately 60 dentists, providing a comprehensive range of dental services, including but not limited to implants, orthodontics, restorations, and periodontal treatment. The Second Chinese Dental Group has an established track record in the provision of dental services, enabling patients to access professional dental care through its multiple clinics across the southern region of the PRC.

2.2 Details of the Proposed Acquisition

The Company intends to acquire 100% of the Second Chinese Dental Group pursuant to the Proposed Acquisition.

Consideration

The purchase consideration for the Proposed Acquisition is RMB376 million (subject to adjustments upon completion of financial due diligence) and shall be satisfied in the following manner:

- (a) RMB188 million (the “**Cash Consideration**”) (comprising 50% of the total consideration) shall be paid in cash to the seller as follows:
 - (i) RMB120 million shall be paid on completion of the Proposed Acquisition (the “**Completion**”);
 - (ii) subject to Completion having taken place, RMB 48 million shall be paid, in 3 tranches of RMB 8 million, RMB 20 million and RMB 20 million, over a period of approximately 3 years following Completion subject to the Second Chinese Dental Group achieving the relevant target consolidated net profit after tax (“**NPAT**”) as described below for the corresponding Profit Guarantee Periods (as defined below) and each of such NPAT having been audited and/or verified by the Group’s auditors:
 - (iii) the remaining RMB20 million (the “**Escrow Amount**”) shall be held in an escrow account throughout the entire period of 10 years for which the Second Chinese Dental Group has to fulfil the respective Profit Guarantee (as defined below in this section under “Escrow Amount”); and
- (b) RMB188 million (the “**Non-Cash Consideration**”) (comprising 50% of the total consideration) shall be satisfied by the allotment and issuance of new ordinary shares (the “**Shares**”, and each, a “**Share**”) in the capital of the Company to the seller (such Shares issued as satisfaction of the Non-Cash Consideration being the “**Consideration Shares**”). The Non-Cash Consideration shall be satisfied in the following manner:
 - (i) RMB131.6 million (comprising 70% of the Non-Cash Consideration) shall be satisfied by the allotment and issue of Consideration Shares at an issue price of S\$0.35 per Share; and
 - (ii) RMB56.4 million (comprising 30% of the Non-Cash Consideration) shall be satisfied by the allotment and issue of Consideration Shares at a price per Share equal to the volume-weighted average price of the Company’s Shares over a 7-day trading period to be determined prior to Completion.

All Consideration Shares issued shall be subject to a moratorium period of 15 years.

Profit Guarantee

The terms of the Proposed Acquisition will comprise, amongst others, a profit guarantee of an aggregate of RMB358.5 million for a period of 10 years following Completion (the “**Profit Guarantee**”). Pursuant to the Profit Guarantee, the seller shall procure that the Second Chinese Dental Group shall achieve a consolidated NPAT of not less than the following amounts (each a “**Target NPAT**”) for the relevant 12-month periods (each a “**Profit Guarantee Period**”):

Profit Guarantee Period	Target NPAT
(1) 12-month period starting on the date of Completion (the "Completion Date")	RMB20 million
(2) 12-month period starting on the 1st-year anniversary of the Completion Date	RMB24 million
(3) 12-month period starting on the 2nd-year anniversary of the Completion Date	RMB28.5 million
(4) 12-month period starting on the 3rd-year anniversary of the Completion Date	RMB33 million
(5) 12-month period starting on the 4th-year anniversary of the Completion Date	RMB37 million
(6) 12-month period starting on the 5th-year anniversary of the Completion Date	RMB41 million
(7) 12-month period starting on the 6th-year anniversary of the Completion Date	RMB43 million
(8) 12-month period starting on the 7th-year anniversary of the Completion Date	RMB44 million
(9) 12-month period starting on the 8th-year anniversary of the Completion Date	RMB44 million
(10) 12-month period starting on the 9th-year anniversary of the Completion Date	RMB44 million

Escrow Amount

In connection with the Profit Guarantee, the Escrow Amount of RMB20 million shall be held in an escrow account to satisfy any shortfall payment in the event that the actual consolidated NPAT achieved by the Second Chinese Dental Group for a Profit Guarantee Period falls below the Target NPAT for that Profit Guarantee Period.

The purchase consideration for the Proposed Acquisition of RMB376 million may therefore be subject to adjustments depending on the shortfall payment, if any, required to be satisfied.

Service Agreement and Share Pledge

Subject to Completion having taken place, the seller shall enter into a service agreement for a period of at least 15 years with the Company and/or the Group. Such service agreement shall include certain non-compete and non-solicit covenants to be undertaken by the seller.

In connection with the Proposed Acquisition and to secure the obligations of the seller under the Profit Guarantee, the seller is also expected to execute a share pledge agreement pursuant to which the seller shall pledge all Consideration Shares issued to the seller, in favour of the Company (and/or such other person(s) as the Company may designate). Such service agreement and share pledge agreement are expected to be entered into on or around completion of the Proposed Acquisition.

Other Conditions

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 further negotiations, if any and completion of satisfactory legal, financial and operational due diligence on the Second Chinese Dental Group, its clinics, and the seller.

2.3 Rationale for the Proposed Acquisition

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

The Second Chinese Dental Group operates dental business which the Group believes offer distinct and many cross-referral opportunities for value creation. In respect of the dental services segment, the Second Chinese Dental Group's network of dental clinics provides a strategic operating base in the southern region of the PRC 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 Second Chinese Dental Group's network and drive long-term shareholder value.

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

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 (the "**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, together with the acquisition which the Group intends to undertake pursuant to the March MOU, will, if completed, result in the Company engaging 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 of this announcement, 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. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

5. FURTHER ANNOUNCEMENT(S)

The Company will make the necessary announcement(s) in relation to the Proposed Acquisition (and the acquisition which the Group intends to undertake pursuant to the March MOU) as and when there are any material developments on the matters, 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 Catalist of the SGX-ST and the financial effects of the transactions.

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
20 April 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.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.