



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

UPDATES ON HOLDING ANNOUNCEMENT AND COOPERATION AGREEMENT WITH PANJIN OILFIELD GEM FLOWER HOSPITAL

1. INTRODUCTION

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 holding announcement on 30 September 2020 relating to the Group's discussion with a third party for a possible transaction involving its stake in its wholly-owned subsidiary, Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd. ("**Panjin Hospital**") (the "**Possible Transaction**"). The Board wishes to update that subsequent to further discussions, the Group will no longer continue with the Possible Transaction, and instead, Panjin Hospital has entered into a cooperation agreement with Panjin Oilfield Gem Flower Hospital (盘锦辽油宝石花医院) ("**Gem Flower Hospital**") on 25 June 2021 ("**Cooperation Agreement**").

Gem Flower Hospital is a private non-profit organisation established by Gem Flower (Liaoning) Medical and Health Management, Ltd. (宝石花(辽宁)医疗健康管理有限公司) ("**Gem Flower Liaoning**"). Gem Flower Liaoning is jointly owned by Gem Flower Medical Health Investment Holding Group Co., Ltd (宝石花医疗健康投资控股集团有限公司) and Liaohe Petroleum Exploration Bureau Co., Ltd. (辽河石油勘探局有限公司), which are affiliated to China National Petroleum Corporation (中国石油天然气集团有限公司).

2. RATIONALE FOR THE COOPERATION AGREEMENT

Under the Cooperation Agreement, Panjin Hospital will offer advanced dental facilities and a high-quality support team. Gem Flower Hospital will offer experienced dentists and a high-end patients pool from oil field customers. This will enable the Group to achieve greater market share and accelerated patient growth. The Cooperation Agreement will allow the Group to jointly undertake the benefit of economies of scale through effective resources sharing with Gem Flower Hospital. The Company believes that the Cooperation Agreement represents a strong alliance between Panjin Hospital and Gem Flower Hospital.

The Cooperation Agreement is in line with the Company's business strategy of actively seeking business opportunities that will generate returns in the long run, provide a stable cash flow and mitigate the gestation loss of Panjin Hospital.

3. MATERIAL TERMS OF THE COOPERATION AGREEMENT

Under the 5-year Cooperation Agreement, Panjin Hospital will provide dental treatment rooms and high-end dental facilities as well as excellent management and service capabilities whereas Gem Flower Hospital will provide their specialist dentists to perform dental treatment and introduce customers to Panjin Hospital. The services under the Cooperation Agreement include but are not limited to exclusive dental services, paedodontics and oral surgery.

Profits generated through this corporation shall be shared 50:50 between both parties after deduction of pre-agreed costs associated with the Cooperation Agreement.

4. FINANCIAL IMPACT OF THE COOPERATION AGREEMENT

The Cooperation Agreement is not expected to have a material impact on the Group's earnings per share or net tangible assets per share for the financial year ending 31 December 2021.

5. FURTHER ANNOUNCEMENTS

The Company will release further announcement if and when there are any material developments in relation to the Cooperation Agreement which warrant disclosure, in accordance with its obligations under the Catalist Rules of the Singapore Exchange Securities Trading Limited.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Cooperation Agreement other than through their shareholdings in the Company, if any.

BY ORDER OF THE BOARD

Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer
25 June 2021

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 (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.

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