

MEDIA RELEASE

Aoxin Q & M acquires 49% stake in Acumen Diagnostics for S\$29.4m

- *Aoxin Q & M acquires a stake in Acumen Diagnostics, one of the leading homegrown medical diagnostics and technology companies in Singapore*
- *With Q & M holding a majority 51% stake in Acumen Diagnostics, the acquisition, upon completion, raises Q & M's total effective ownership in Acumen Diagnostics to 67.15%, based on Q & M's 32.95% equity stake in Aoxin Q & M*
- *Acquisition will be immediately profit accretive; presents opportunity to assist in providing an essential capability to Singapore in this next phase of tackling the COVID-19 pandemic, as the availability of good quality test kits and testing services will be an important cog in the national response to treating and living with COVID-19*

Singapore, 4 October 2021 - Aoxin Q & M Dental Group Ltd (SGX: 1D4.SI) ("**Aoxin Q & M**") and **Q & M Dental Group (Singapore) Limited** (SGX: QC7.SI) ("**Q & M**"), announced today that Aoxin Q & M will acquire 49% of Acumen Diagnostics Pte. Ltd. ("**Acumen Diagnostics**") for a consideration of S\$29.4 million. Acumen Diagnostics has a preliminary valuation of S\$60 million.

Acquisition & Valuation

Aoxin Q & M has entered into a conditional sale and purchase deed with Acumen Diagnostics' shareholders, Dr Ong Siew Hwa and Acumen Holdings Pte. Ltd., to acquire their 49% shareholding in Acumen Diagnostics.

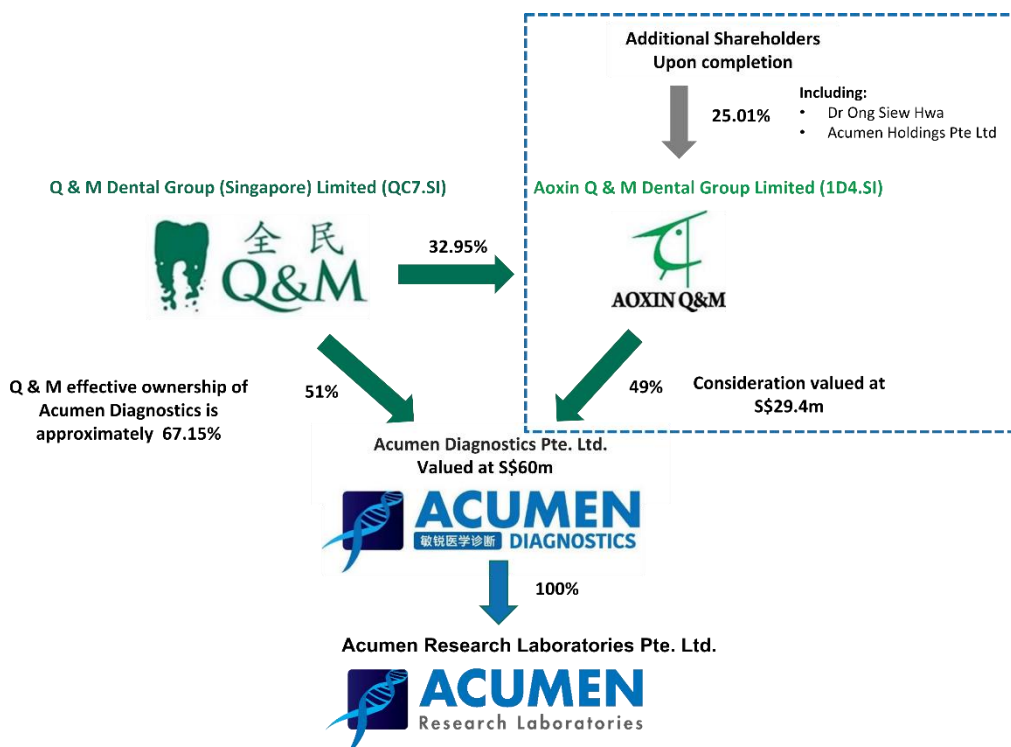
The preliminary valuation of Acumen Diagnostics (upon completion of a restructuring exercise involving Acumen Research Laboratories Pte. Ltd.) is S\$60 million, derived based on the latest financial statements of Acumen Diagnostics, taking into account the earnings and growth prospects of its business.

The purchase consideration for the shares is S\$29.4 million, to be satisfied by way of the allotment and issuance of new ordinary shares in the capital of Aoxin Q & M at an issue price

of S\$0.231 per share, credited as fully paid-up shares in the capital of Aoxin Q & M which will rank *pari passu* in all respects with the existing shares in the capital of Aoxin Q & M.

Upon completion of the acquisition, Aoxin Q & M will directly hold 49% of Acumen Diagnostics, with Q & M holding the balance of 51%. Q & M's total effective ownership of Acumen Diagnostics will thus amount to 67.15%, based on its 32.95% equity stake in Aoxin Q & M. **See diagram 1 below.**

Diagram 1: Shareholdings upon completion of acquisition of Acumen Diagnostics by Aoxin Q & M



Rationale of Acquisition & Valuation

The acquisition and integration of the Acumen Diagnostics business into Aoxin Q & M is timely and strategic, allowing Aoxin Q & M to enter the medical diagnostics business in Singapore and capture a significant portion of the testing capacity market in conducting frequent and widespread testing, in support of Singapore's national COVID-19 strategy.

The proposed acquisition would also improve the profitability of Aoxin Q & M through the sharing of profits and improve the cashflow position of Aoxin Q & M as and when Acumen

Diagnosics declares dividends down the line. Over time, Aoxin Q & M will benefit from potential commercial, operational and costs synergies between itself and Acumen Diagnostics. The Board of Directors of Aoxin Q & M believes that the proposed acquisition will enhance the long-term interests of Aoxin Q & M and its shareholders.

With over 80% of the population now vaccinated, Singapore is moving towards a “living with COVID-19” strategy or treating COVID-19 as an “endemic” disease. In a live address in May 2021, the Prime Minister, Lee Hsien Loong, laid out the government’s three-pronged strategy of “vaccination, contact-tracing and testing” as the country starts to reopen.

Mr. Ryan San, Deputy Chief Executive Officer of Aoxin Q & M, said *“Learning to live with COVID-19 in the new “normal” requires a deliberate and rapid response from both the public and private sector. We believe this acquisition is an important and strategic one for Aoxin Q & M as the availability of good quality performing test kits and testing services will be an important cog in the overall national response to treating and living with COVID-19. While the acquisition will be immediately profit accretive, we see this as a fantastic opportunity to assist in providing an essential capability to Singapore in this next phase of tackling the COVID-19 pandemic.”*

Dr Ng Chin Siau, Chief Executive Officer of Q & M said, *“Strategic business development is a top priority for Q & M as we look to drive sustainable growth and further bolster and balance our pipeline with innovations and businesses that contribute to our responses to the global COVID-19 pandemic. Q & M supports this transaction, and this transaction is likely to be beneficial to Q & M and its shareholders and financially strengthen Q & M and Aoxin Q & M in the mid and long term.”*

“Acumen Diagnostics’ innovative products and capabilities have yielded exciting growth that complements and strengthens our company’s overall portfolio and pipeline and holds the potential to build upon our proud legacy in the healthcare sector. To date, it is able to handle 7,000 COVID-19 tests daily and has the ability to ramp up for more tests, if called upon by Health Promotion Board (“HPB”) or Ministry of Health (“MOH”).” added Dr Ng.



Dr Ong Siew Hwa, Chief Executive Officer & Chief Scientist, Acumen Diagnostics said, “*We are very excited about joining the Aoxin Q & M family and the new growth opportunities both in Singapore and China, that this acquisition will present. Our technical capabilities and infrastructure in molecular diagnostics, spanning R&D, manufacturing, clinical laboratory testing, positions us well to create value in the generation of both new patent assets and, revenues, through the sales of test kits and provision of testing services.*”

Acumen Diagnostics will continue to operate independently post acquisition, driving forward a continued focus on its mission, employees, stakeholders, and community. Acumen Diagnostics will continue to be led by Dr Ong Siew Hwa and her team who will provide their unique expertise and technical know-how to manage the business. In the near term, Acumen Diagnostics will roll out in its clinical testing laboratory a pipeline of new tests, including PCR assays for dengue, sepsis and, identification of bacterial pathogens and their associated antibiotics resistance in pneumonia and bloodstream infections. Its longer-term plans include development of vaccines.

This press release is to read in conjunction with the SGXNET announcements dated 4 October 2021.

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About Acumen Diagnostics Pte. Ltd.

Acumen Diagnostics Pte. Ltd. (“Acumen Diagnostics”) is a Singapore-grown, award-winning medical technology company. It is fully integrated with functions in research and development, manufacturing, as well as commercialisation of molecular diagnostics by distribution as well as conducting clinical laboratory testing services for (including but not limited to) infectious diseases, cancer, and COVID-19. It has also actively established frontline services such as COVID-19 on-site swabbing operations. For more information, please visit the company website at www.acumen-research.com.

About Aoxin Q & M Dental Group Limited (Stock Code: 1D4.SI)

Aoxin Q & M Dental Group Limited (“Aoxin Q & M” or together with its subsidiaries, the “Group”) is a leading provider of private dental services in the Liaoning Province, Northern People’s Republic of China (“PRC”). The Group operates 16 dental centres, comprising 10 dental polyclinics and 6 dental hospitals, located across 8 cities in Liaoning Province, namely Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian and Anshan. We currently have 400 dental professionals, including 170 dentists, 180 dental surgery assistants and 50 laboratory technicians. A majority of the dental centres are accredited as Designated Medical Institutions of Medical Insurance. Additionally, the Group is engaged in the provision of dental laboratory services, as well as the distribution and sale of dental equipment and supplies in the Liaoning, Heilongjiang and Jilin Provinces in Northern PRC.

Aoxin Q & M was listed on the Catalist board of the Singapore Exchange Securities Trading Limited on 26 April 2017. For more information, please visit the company website at www.aoxingm.com.sg.

About Q & M Dental Group (Singapore) Limited (QC7.SI)

Q & M Dental Group (Singapore) Limited (“Q & M” or together with its subsidiaries, the “Group”) is a leading private dental healthcare group in Asia.

The Group owns the largest network of private dental outlets in Singapore, operating 87 dental outlets across the country. Underpinned by about 230 experienced dentists and more than 350 supporting staff, the Group sees an average of 40,000 patient visits a month in Singapore. The Group also operates 5 medical clinics and a dental supplies and equipment distribution company.

Outside of Singapore, the Group has 37 dental clinics and a dental supplies and equipment distribution company in Malaysia, as well as a dental clinic in the People’s Republic of China (“PRC”). Q & M is also the substantial shareholder of Aoxin Q & M Dental Group Limited, a dental Group listed on the Catalist board of the Singapore Exchange, which operates dental clinics and hospitals primarily in the North-eastern region of the PRC. The Group aims to expand its operations geographically and vertically through the value chain in Malaysia, the PRC and within ASEAN.

In 2018, the Group made inroads into the development of advanced technology in healthcare with the establishment of EM2AI Pte. Ltd. (“EM2AI”, formerly known as Q & M Dental AI Pte. Ltd.). EM2AI focuses on developing AI-powered solutions in diagnosis and treatment planning.

In 2019, the Group expanded into dental postgraduate education with the establishment of the Q & M College of Dentistry. It offers Singapore’s first private postgraduate diploma programme in clinical dentistry.



In 2020, the Group also expanded into the medical laboratories and research industry with the incorporation of Acumen Diagnostics Pte. Ltd. (“Acumen Diagnostics”). Acumen Diagnostics currently focuses on the manufacture, sale and distribution of COVID-19 diagnostic test kits, as well as COVID-19 testing.

The Group was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 November 2009. For further information on the Group, please visit www.QandMDental.com.sg

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