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## **VOLUNTARY BUSINESS UPDATE FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021 (“1Q2021”)**

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The Board of Directors (the “**Board**”) of Aoxin Q&M Dental Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update shareholders in this voluntary business update on the Group’s financial performance for the first quarter ended 31 March 2021 (“**1Q2021**”). The financial information for 1Q2021 is based on the Group’s latest unaudited consolidated management accounts.

### **Key Financial Highlights**

	<b>1Q2021</b>	<b>1Q2020</b>	<b>Change</b>
	RMB'000	RMB'000	%
Revenue	34,799	11,691	>100
EBITDA <sup>1</sup>	452	(5,445)	NM <sup>2</sup>
Net loss for the period	(4,661)	(10,817)	(57)

#### **Revenue**

The Group reported revenue of RMB34.8 million in 1Q2021, an increase of RMB23.1 million or 197.7% year on year. The increase was mainly due to strong recovery from distribution segment and higher revenue from all the existing dental hospitals and polyclinics.

#### **EBITDA<sup>1</sup>**

The Group’s EBITDA improved from a loss of RMB5.4 million in 1Q2020 to earnings of RMB0.5 million in 1Q2021. The increase in EBITDA was mainly attributable to higher revenue growth rate and improved performance from key dental hospitals and polyclinics.

#### **Net loss for the period**

As a result of the foregoing, the Group recorded a better result in 1Q2021 with a net loss of RMB4.7 million as compared to net loss of RMB10.8 million in 1Q2020.

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<sup>1</sup> EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation

<sup>2</sup> NM: Not meaningful



### Revenue Analysis by Segments

	1Q2021	1Q2020	Change
	RMB'000	RMB'000	%
Primary healthcare	19,634	7,283	>100
Distribution of dental equipment and supplies	11,681	2,900	>100
Laboratory services	3,484	1,508	>100

Revenue from primary healthcare segment increased by 170% in 1Q2021 as compared to the same corresponding period. Primary healthcare segment has proven to be resilient, despite the resurgence of Covid-19 virus in Dalian and Shenyang where 6 of our dental polyclinics and hospitals were temporarily suspended for more than one month in 1Q2021.

Distribution of dental equipment and supplies segment showed a significant revenue growth rate of more than 300% due to higher demand for dental supplies materials which is supported by government hospitals amidst a gradual economic recovery in China backed by roll out of the Covid-19 vaccination in the country.

Revenue from laboratory services segment increased by 131% as compared to same corresponding period as the revenue in 1Q2020 was badly affected by the Covid-19 pandemic. Current period's revenue showed steady recovery from the pandemic and back on track to pre Covid-19 level.

### Condensed Consolidated Statement of Financial Position

	As at 31 March 2021	As at 31 December 2020
	RMB'000	RMB'000
Cash and cash equivalents	33,727	37,912
Total equity	218,880	223,345
Total borrowings	19,279	17,657

### Financial Position

The Group's financial position as at 31 March 2021 remains sound, with net asset position of RMB218.9 million and net cash position of RMB14.4 million. Cash and cash equivalents as at 31 March 2021 decreased to RMB33.7 million from RMB37.9 million as at 31 December 2020, mainly due to payment for operations expenses, repayment of bank loans, advance rental and payment to suppliers. Total borrowings as at 31 March 2021 increased due to higher bill payables. Total equity as at 31 March 2021 decreased mainly due to the net loss from operations.



**Aoxin Q & M Dental Group Limited**  
(Incorporated in the Republic of Singapore)  
(Company Registration No: 201110784M)

## **Outlook**

- The Group is encouraged that patient volumes have been recovering since April 2020, after a nation-wide lockdown in China. In spite of the temporary closures of 2 hospitals and 4 dental polyclinics in the cities of Shenyang and Dalian for over a month in January and February 2021, we are confident that patient volumes will pick up again for the rest of the year.
- With the economic uncertainties posed by Covid-19 and the risk of any temporary closures should cases of Covid-19 emerge again in the cities that we operate in, the Group will continue to focus on disciplined management of operating expenditures, costs and capital expenditures.
- Overall, the Group expects the business environment to remain challenging for 2021. Nonetheless the Group aims to deliver a satisfactory performance in 2021 amidst a recovering economy as more people in the country are getting vaccinated.

## **BY ORDER OF THE BOARD**

**Dr. Shao Yongxin**  
**Group Chief Executive Officer**  
**11 May 2021**

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This announcement has 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 (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) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.