



Aoxin Q & M Dental Group Limited

Condensed Interim Financial Statements For the Six Months and Full Year Ended 31 December 2023

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.

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Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Notes	Group			Group		
		2H2023 RMB'000	2H2022 RMB'000	Change %	FY2023 RMB'000	FY2022 RMB'000	Change %
Primary healthcare		65,256	45,250	44.2	115,887	87,020	33.2
Distribution of dental equipment and supplies		21,162	22,334	(5.2)	42,151	39,272	7.3
Laboratory services		10,262	7,019	46.2	19,217	13,429	43.1
Revenue	4	96,680	74,603	29.6	177,255	139,721	26.9
Interest income		78	55	41.8	137	100	37.0
Other income and gains	5	2,593	1,671	55.2	2,973	2,656	11.9
Expenses							
Consumables and dental supplies		(9,927)	(6,857)	44.8	(16,800)	(12,037)	39.6
Cost of sales in dental equipment and supplies		(18,342)	(18,261)	0.4	(36,507)	(32,517)	12.3
Cost of laboratory services		(2,794)	(2,110)	32.4	(4,686)	(3,605)	30.0
Employee benefits expenses		(39,816)	(35,880)	11.0	(76,868)	(69,802)	10.1
Depreciation and amortisation expenses		(5,352)	(5,633)	(5.0)	(10,883)	(11,055)	(1.6)
Depreciation of right-of-use assets		(3,491)	(3,485)	0.2	(6,949)	(6,929)	0.3
Rental expenses		(414)	(567)	(27.0)	(897)	(1,226)	(26.8)
Finance costs	6	(836)	(1,169)	(28.5)	(1,797)	(2,439)	(26.3)
Reversal/(allowance) for impairment on trade receivables		554	51	NM	463	(52)	NM
Impairment loss on investment in an associate	11	(46,869)	(60,175)	(22.1)	(46,869)	(60,175)	(22.1)
Other expenses		(11,178)	(8,539)	30.9	(19,905)	(15,526)	28.2
Other losses	5	(2,863)	(1,309)	NM	(3,867)	(1,797)	NM
Share of results of associate		(988)	(1,444)	(31.6)	1,061	1,720	(38.3)
Loss before tax		(42,965)	(69,049)	(37.8)	(44,139)	(72,963)	(39.5)
Income tax (expense)/benefit	7	(3,181)	4,739	NM	(3,161)	5,288	NM
Loss, net of tax		(46,146)	(64,310)	(28.2)	(47,300)	(67,675)	(30.1)
Other comprehensive loss							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation to presentation currency		(1,052)	7,761	NM	3,678	11,278	(67.4)
Total comprehensive loss		(47,198)	(56,549)	(16.5)	(43,622)	(56,397)	(22.7)
Loss, net of tax attributable to:							
Owners of the Company		(46,146)	(64,309)	(28.2)	(47,300)	(67,673)	(30.1)
Non-controlling interests		—*	(1)	NM	—*	(2)	NM
		(46,146)	(64,310)	(28.2)	(47,300)	(67,675)	(30.1)
Total comprehensive loss attributable to:							
Owners of the Company		(47,198)	(56,548)	(16.5)	(43,622)	(56,395)	(22.6)
Non-controlling interests		—*	(1)	NM	—*	(2)	NM
		(47,198)	(56,549)	(16.5)	(43,622)	(56,397)	(22.7)

Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

		<u>2H2023</u>	<u>2H2022</u>	<u>Change</u>	<u>FY2023</u>	<u>FY2022</u>	<u>Change</u>
		RMB Cents	RMB Cents	%	RMB Cents	RMB Cents	%
Earnings per share (loss)							
– Basic	8	(9.03)	(12.59)	(28.3)	(9.25)	(13.25)	(30.2)
– Diluted	8	(9.03)	(12.59)	(28.3)	(9.25)	(13.25)	(30.2)

NM: Not meaningful.

* Representing amount less than RMB1,000

	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Profit/(loss), net of tax excluding impairment loss on investment in an associate						
Owners of the Company	723	(4,135)	NM	(431)	(7,500)	(94.3)
Non-controlling interests	–*	(1)	NM	–*	(2)	NM
	<u>723</u>	<u>(4,136)</u>	NM	<u>(431)</u>	<u>(7,502)</u>	<u>(94.3)</u>

Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		FY2023 RMB'000	FY2022 RMB'000	FY2023 RMB'000	FY2022 RMB'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	9	34,395	41,972	21	21
Right-of-use assets		29,364	32,755	614	821
Goodwill	10	125,219	125,219	–	–
Intangible assets		2,906	3,896	140	179
Investments in subsidiaries		–	–	310,983	298,380
Investment in an associate	11	20,897	74,832	20,897	74,832
Deferred tax asset	7	2,106	5,050	–	–
Other receivables, non-current		–	–	6,426	6,166
Other non-financial assets, non-current		115	134	77	134
Total non-current assets		215,002	283,858	339,158	380,533
<u>Current assets</u>					
Inventories		11,075	11,113	–	–
Trade and other receivables, current		37,534	33,856	17,161	10,923
Other non-financial assets, current		1,775	1,605	154	160
Cash and cash equivalents		51,184	39,429	23,193	20,401
Total current assets		101,568	86,003	40,508	31,484
Total assets		316,570	369,861	379,666	412,017
EQUITY AND LIABILITIES					
<u>Equity</u>					
Share capital	12	445,473	445,473	445,473	445,473
Accumulated losses		(140,268)	(92,662)	(123,801)	(76,184)
(Adverse balance) / other reserves		(38,180)	(42,285)	53,257	36,804
Equity attributable to owners of the Company		267,025	310,526	374,929	406,093
Non-controlling interests		–*	–*	–	–
Total equity		267,025	310,526	374,929	406,093
<u>Non-current liabilities</u>					
Deferred tax liabilities		519	722	–	–
Lease liabilities, non-current		17,504	22,630	469	742
Other financial liabilities, non-current	13	339	979	339	979
Total non-current liabilities		18,362	24,331	808	1,721
<u>Current liabilities</u>					
Income tax payable		335	199	–	–
Trade and other payables		23,147	23,146	3,034	3,359
Lease liabilities, current		7,020	8,420	214	205
Other financial liabilities, current	13	681	3,239	681	639
Total current liabilities		31,183	35,004	3,929	4,203
Total liabilities		49,545	59,335	4,737	5,924
Total equity and liabilities		316,570	369,861	379,666	412,017

* Representing amount less than RMB1,000

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Condensed Interim Statements of Changes in Equity

Group	Total equity RMB'000	Attributable to owners of the Company RMB'000	Share capital RMB'000	Accumulated losses RMB'000	Other reserve RMB'000	Statutory reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Non-controlling interest RMB'000
Current year									
Opening balance at 1 January 2023	310,526	310,526	445,473	(92,662)	(71,920)	8,763	7,282	13,590	—*
Total comprehensive income/ (loss) for the year	(43,622)	(43,622)	—	(47,300)	—	—	—	3,678	—*
Transfer to statutory reserve	—	—	—	(306)	—	306	—	—	—
Share-based payments	121	121	—	—	—	—	121	—	—
Closing balance at 31 December 2023	<u>267,025</u>	<u>267,025</u>	<u>445,473</u>	<u>(140,268)</u>	<u>(71,920)</u>	<u>9,069</u>	<u>7,403</u>	<u>17,268</u>	<u>—*</u>
Previous year									
Opening balance at 1 January 2022	363,886	363,884	443,203	(24,761)	(71,920)	8,535	6,515	2,312	2
Total comprehensive income/ (loss) for the year	(56,397)	(56,395)	—	(67,673)	—	—	—	11,278	(2)
Transfer to statutory reserve	—	—	—	(228)	—	228	—	—	—
Share-based payments	767	767	—	—	—	—	767	—	—
Issuance of new shares	2,270	2,270	2,270	—	—	—	—	—	—
Closing balance at 31 December 2022	<u>310,526</u>	<u>310,526</u>	<u>445,473</u>	<u>(92,662)</u>	<u>(71,920)</u>	<u>8,763</u>	<u>7,282</u>	<u>13,590</u>	<u>—*</u>

* Representing amount less than RMB1,000

Condensed Interim Statements of Changes in Equity (cont'd)

Company	Total equity RMB'000	Share capital RMB'000	(Accumulated losses)/ retained earnings RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000
Current year					
Opening balance at 1 January 2023	406,093	445,473	(76,184)	7,282	29,522
Total comprehensive income/ (loss) for the year	(31,285)	–	(47,617)	–	16,332
Share-based payments	121	–	–	121	–
Closing balance at 31 December 2023	<u>374,929</u>	<u>445,473</u>	<u>(123,801)</u>	<u>7,403</u>	<u>45,854</u>
Previous year					
Opening balance at 1 January 2022	450,535	443,203	7,947	6,515	(7,130)
Total comprehensive income/ (loss) for the year	(47,479)	–	(84,131)	–	36,652
Share-based payments	767	–	–	767	–
Issuance of new shares	2,270	2,270	–	–	–
Closing balance at 31 December 2022	<u>406,093</u>	<u>445,473</u>	<u>(76,184)</u>	<u>7,282</u>	<u>29,522</u>

Condensed Interim Consolidated Statements of Cash Flows

	Group			
	<u>2H2023</u> RMB'000	<u>2H2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
<u>Cash flows from operating activities</u>				
Loss before tax	(42,965)	(69,049)	(44,139)	(72,963)
Depreciation of plant and equipment	4,824	5,147	9,867	10,080
Amortisation of intangible assets	528	486	1,016	975
Depreciation of right-of-use assets	3,491	3,485	6,949	6,929
Plant and equipment written-off	585	55	595	55
Gain on remeasurement/derecognised of right-of-use assets and lease liabilities	(1,555)	(39)	(1,528)	(85)
(Reversal)/allowance for impairment on trade receivables	(554)	(51)	(463)	52
Unrealised foreign exchange gains	(195)	2,207	477	2,884
Interest expense	836	1,169	1,797	2,439
Share-based payments	121	146	121	767
Impairment loss on investment in an associate	46,869	60,175	46,869	60,175
Impairment loss on plant and equipment	962	–	962	–
Inventories written-down	589	–	615	–
Share of results of associate	988	1,444	(1,061)	(1,720)
Operating cash flows before changes in working capital	14,524	5,175	22,077	9,588
Inventories	139	(250)	(577)	482
Trade and other receivables	470	6,346	(3,214)	4,292
Other non-financial assets	897	1,462	(154)	(62)
Trade and other payables	764	279	1	1,789
Net cash flows from operations	16,794	13,012	18,133	16,089
Income taxes paid	(4)	(284)	(284)	(117)
Net cash flows from operating activities	16,790	12,728	17,849	15,972
<u>Cash flows (used in)/generated from investing activities</u>				
Acquisition of plant and equipment	(2,090)	(3,230)	(3,844)	(3,953)
Acquisition of intangible assets - software	(19)	(71)	(19)	(71)
Increase in staff loans	–	–	(1)	–
Dividend received from an associate	10,497	1	10,497	23,085
Net cash flows generated from/(used in) investing activities	8,388	(3,300)	6,633	19,061
<u>Cash flows used in financing activities</u>				
Proceeds from bank loans and bill payable	–	2,601	–	3,334
Repayments of bank loans and bill payable	(2,534)	(5,858)	(3,255)	(18,263)
Interest expense paid	9	(122)	(76)	(369)
Repayment of principal portion of lease liabilities	(4,848)	(2,143)	(8,563)	(5,578)
Repayment of interest portion of lease liabilities	(845)	(1,047)	(1,721)	(2,070)
Issuance of new shares	–	–	–	2,270
Net cash flows used in financing activities	(8,218)	(6,569)	(13,615)	(20,676)
Net increase in cash and cash equivalents	16,960	2,859	10,867	14,357
Cash and cash equivalents, beginning balance	34,224	36,035	39,429	24,370
Effect of foreign exchange rate changes on cash and cash equivalents	–	535	888	702
Cash and cash equivalents, ending balance	51,184	39,429	51,184	39,429

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Notes to the Condensed Interim Consolidated Financial Statements For The Financial Year Ended 31 December 2023

1. General

Aoxin Q & M Dental Group Limited (the “**Company**”) is incorporated in Singapore with limited liability. It is listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited.

The financial statements are presented in Chinese Renminbi (“**RMB**”) and they cover the Company and its subsidiaries (collectively, the “**Group**”). All information in these financial statements are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 3 on financial information by operating segments.

The latest audited annual financial statements for the reporting year ended 31 December 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“**ASC**”). They are also in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 31 December 2022. The Group has adopted all the new and revised SFRS (I) that are relevant to its operations and effective for the current financial year. The adoption of these new/revised SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the financial results or position of the Group and the Company. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position the Group since the latest audit annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Group’s annual financial statements for the reporting year ended 31 December 2022. The Company’s separate financial statements have been prepared on the same basis.

1. General (cont'd)

Critical judgements, assumptions and estimation uncertainties

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest audited annual financial statements for the reporting year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- Assessment of impairment of goodwill
- Assessment of carrying values of property, plant and equipment, intangible assets and right-of-use assets
- Estimation of useful lives of property, plant and equipment
- Assessment of impairment of subsidiaries
- Assessment of impairment of associate
- Assessment of write-down of inventories
- Assessment of impairment of trade receivables
- Income tax

2. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

3. Financial information by operating segments

3A. Information about reportable segment profit or loss, assets and liabilities

The segments and the types of products and services are as follows:

- (i) Primary healthcare comprising dentistry services;
- (ii) Distribution of dental equipment and supplies, which includes, amongst others, the distribution of equipment and supplies used in the provision of dental services; and
- (iii) Laboratory services comprising the manufacturing of porcelain crown, bridges and dentures.

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3B. Profit or loss for the year and reconciliations

	<u>Primary healthcare</u>		<u>Distribution of dental equipment and supplies</u>		<u>Laboratory services</u>		<u>Consolidated</u>	
	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
Revenue from external customers (Note 4)	115,887	87,020	42,151	39,272	19,217	13,429	177,255	139,721
Inter-segment revenue	23,887	21,563	7,978	7,799	19,017	15,310	50,882	44,672
Total Revenue	139,774	108,583	50,129	47,071	38,234	28,739	228,137	184,393
Segment results includes share of result of associate EBITDA/(LBITDA)	19,124	3,917	86	897	(43,720)	(57,354)	(24,510)	(52,540)
Finance costs							(1,797)	(2,439)
Depreciation of plant and equipment							(9,867)	(10,080)
Depreciation of right-of-use assets							(6,949)	(6,929)
Amortisation of intangible assets							(1,016)	(975)
Loss before tax							(44,139)	(72,963)
Income tax (expense)/benefit							(3,161)	5,288
Loss, net of tax							(47,300)	(67,675)
Additions to non-current assets								
Property, plant and equipment	1,944	3,031	1,213	35	687	887	3,844	3,953
Other material non-cash items								
Depreciation of plant and equipment	8,614	8,792	36	19	1,217	1,269	9,867	10,080
Depreciation of right-of-use assets	6,524	6,452	70	126	355	351	6,949	6,929
Amortisation of intangible assets	545	508	42	42	429	425	1,016	975
PPE written-off	528	6	–	–	67	49	595	55
Impairment on investment in an associate	–	–	–	–	46,869	60,175	46,869	60,175
Allowance/(reversal) for impairment on trade receivables	4	(33)	(141)	(364)	(326)	449	(463)	52
Share-based payments	121	767	–	–	–	–	121	767
Segment assets	250,525	251,062	18,697	19,870	47,348	98,929	316,570	369,861
Segment liabilities	40,466	47,017	5,051	7,347	4,028	4,971	49,545	59,335

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3B. Profit or loss for the second half year and reconciliations

	<u>Primary healthcare</u>		<u>Distribution of dental equipment and supplies</u>		<u>Laboratory services</u>		<u>Consolidated</u>	
	<u>2H2023</u>	<u>2H2022</u>	<u>2H2023</u>	<u>2H2022</u>	<u>2H2023</u>	<u>2H2022</u>	<u>2H2023</u>	<u>2H2022</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Revenue from external customers (Note 4)	65,256	45,250	21,162	22,334	10,262	7,019	96,680	74,603
Inter-segment revenue	14,932	11,443	4,499	3,608	9,453	7,904	28,884	22,955
Total Revenue	80,188	56,693	25,661	25,942	19,715	14,923	125,564	97,558
Segment results includes share of result of associate EBITDA/(LBITDA)	13,166	1,791	307	852	(46,759)	(61,405)	(33,286)	(58,762)
Finance costs							(836)	(1,169)
Depreciation of plant and equipment							(4,824)	(5,147)
Depreciation of right-of-use assets							(3,491)	(3,485)
Amortisation of intangible assets							(528)	(486)
Loss before tax							(42,965)	(69,049)
Income tax (expense)/benefit							(3,181)	4,739
Loss, net of tax							(46,146)	(64,310)
Additions to non-current assets								
Property, plant and equipment	525	2,705	1,213	8	352	517	2,090	3,230
Other material non-cash items								
Depreciation of plant and equipment	4,224	4,495	27	10	573	642	4,824	5,147
Depreciation of right-of-use assets	3,275	3,247	39	60	177	178	3,491	3,485
Amortisation of intangible assets	293	251	21	21	214	214	528	486
PPE written-off	518	6	–	–	67	49	585	55
Impairment on investment in an associate	–	–	–	–	46,869	60,175	46,869	60,175
Allowance/(reversal) for impairment on trade receivables	5	(33)	(26)	(220)	(533)	202	(554)	(51)
Share-based payments	121	146	–	–	–	–	121	146
Segment assets	250,525	251,062	18,697	19,870	47,348	98,929	316,570	369,861
Segment liabilities	40,466	47,017	5,051	7,347	4,028	4,971	49,545	59,335

4. Revenue

	Group			
	<u>2H2023</u> RMB'000	<u>2H2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
<u>Revenue classified by nature type</u>				
Rendering of services	60,906	44,594	108,795	85,753
Sale of goods	21,162	22,334	42,151	39,272
Laboratory services	10,262	7,019	19,217	13,429
Management fee income	3,656	75	5,852	141
Other income	160	47	172	58
Leasing income	534	534	1,068	1,068
Total revenue	<u>96,680</u>	<u>74,603</u>	<u>177,255</u>	<u>139,721</u>
<u>Revenue classified by timing of revenue recognition</u>				
Point in time	92,490	73,994	170,335	138,512
Over time	4,190	609	6,920	1,209
	<u>96,680</u>	<u>74,603</u>	<u>177,255</u>	<u>139,721</u>

5. Other income and gains and (other losses)

	Group			
	<u>2H2023</u> RMB'000	<u>2H2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
Bad debts written-off	(315)	(4)	(315)	(4)
Foreign exchange adjustment losses, net	(81)	(1,236)	(1,042)	(1,580)
Government grant income	849	201	948	530
Profit guarantee from vendors of acquired subsidiaries	–	1,357	–	1,357
Reversal of prior year's profit guarantee income	(260)	–	(260)	–
Rental discount	160	74	335	684
Gain on remeasurement/de-recognition of right-of-use assets	1,555	39	1,528	85
Non-trade payables written off	29	–	161	–
Inventories written down	(589)	–	(615)	–
Other losses	(71)	(14)	(78)	(14)
Compensation on early termination of leases ^(a)	–	–	–	(144)
Other gains	–	–	1	–
Impairment loss on plant and equipment	(962)	–	(962)	–
Plant and equipment written-off	(585)	(55)	(595)	(55)
Net	<u>(270)</u>	<u>362</u>	<u>(894)</u>	<u>859</u>
Presented in profit or loss as:				
Other income and gains	2,593	1,671	2,973	2,656
Other losses	(2,863)	(1,309)	(3,867)	(1,797)
	<u>(270)</u>	<u>362</u>	<u>(894)</u>	<u>859</u>

^(a) Compensation on early termination of leases was for the purpose of cost saving by signing new leases with other landlord for larger space with lower rent.

6. Finance costs

	<u>Group</u>			
	<u>2H2023</u>	<u>2H2022</u>	<u>FY2023</u>	<u>FY2022</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on borrowings	(9)	122	76	369
Interest on lease liabilities	845	1,047	1,721	2,070
	<u>836</u>	<u>1,169</u>	<u>1,797</u>	<u>2,439</u>

7. Income tax

	<u>Group</u>			
	<u>2H2023</u>	<u>2H2022</u>	<u>FY2023</u>	<u>FY2022</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current tax expense</u>				
Current tax expense	294	234	339	290
Under provision in respect of prior years	–	171	–	14
Subtotal	<u>294</u>	<u>405</u>	<u>339</u>	<u>304</u>
<u>Deferred tax expense/(benefit)</u>				
Deferred tax expense/(benefit)	2,842	(5,153)	2,741	(5,254)
<u>Withholding tax expense</u>				
Current withholding tax expense	45	3	81	61
Under/(over) provision in respect of prior years	–	6	–	(399)
Subtotal	<u>45</u>	<u>9</u>	<u>81</u>	<u>(338)</u>
Total income tax expense/(benefit)	<u>3,181</u>	<u>(4,739)</u>	<u>3,161</u>	<u>(5,288)</u>

There are no income tax consequences of dividends to owners of the Company.

Subject to the agreement by the tax authorities, the Group and the Company have unutilised tax losses of approximately RMB60.7 million and nil (2022: RMB54.6 million and RMB1.0 million) respectively at the reporting date available for offset against future profits.

As at 31 December 2023, deferred tax asset of approximately RMB2.9 million was written down in respect of these unutilised tax losses as there was a change in tax rate for FY2024 to FY2027 for small enterprise entities in the People's Republic of China. As at 31 December 2022, deferred tax asset of approximately RMB5.1 million is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments.

8. Earnings per share (loss)

	<u>2H2023</u>	<u>2H2022</u>	<u>Group</u> <u>FY2023</u>	<u>FY2022</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Basic loss per share	(9.03)	(12.59)	(9.25)	(13.25)
Diluted loss per share ^(a)	(9.03)	(12.59)	(9.25)	(13.25)
Weighted average number of share:-				
Basic and diluted	<u>511,288,635</u>	<u>510,827,186</u>	<u>511,288,635</u>	<u>510,827,186</u>

The loss per share is computed by dividing the loss net of tax attributable to owners of the Company against the weighted average number of shares for the respective reporting periods.

- (a) The basic and diluted loss per share for 2H2023 and FY2023 are the same as the share option and performance shares granted are anti-dilutive and there were no other outstanding convertibles or other dilutive equity instruments.

9. During the year, the Group acquired property, plant and equipment amounting to RMB3,844,000 (FY2022: RMB3,953,000), impaired property, plant and equipment with carrying value of RMB962,000 (FY2022: Nil) and wrote off property, plant and equipment with carrying value of RMB595,000 (31 December 2022: RMB55,000). There was no disposal of property, plant and equipment during the year (FY2022: Nil).

10. Goodwill

There was no movement in the amount of goodwill during the reporting period. Since the beginning of the reporting period, there were no significant changes in the circumstances and key assumptions.

The cash flow forecasts have been used to perform impairment assessment of goodwill, property, plant and equipment, right-of-use assets and investment in subsidiaries. No impairment loss was recognised as the recoverable amounts were higher than the carrying values of these assets at the end of the reporting year.

11. Investment in an associate

	<u>Group</u>		<u>Company</u>	
	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
Unquoted equity shares	20,897	74,832	20,897	74,832
Balance at beginning of the year	74,832	125,064	74,832	146,904
Foreign exchange adjustments	2,370	8,223	2,191	8,998
Share of results for the year	1,061	1,720	–	–
Dividends	(10,497)	–	–	–
Impairment loss	(46,869)	(60,175)	(56,126)	(81,070)
Balance at end of the year	20,897	74,832	20,897	74,832

The carrying value of the investment of an associate was tested for impairment as at 31 December 2023. The underperformance of the associate due to relaxation of Covid-19 control measures was considered sufficient to trigger the impairment test. In addition, the net asset value of the associate is also significantly lower than the carrying amount of the cost of investment in an associate. Based on the result of the impairment test, the carrying value of investment in an associate of the Group and of the Company were written down by RMB46,869,000 and RMB56,126,000 (FY2022: RMB60,175,000 and RMB81,070,000 respectively) during the reporting year.

12. Share capital

	<u>Group and Company</u>	
	<u>Number</u> <u>of shares</u> '000	<u>Share</u> <u>Capital</u> RMB'000
<u>Ordinary shares</u>		
Balance as at 1 January 2022	508,848	443,203
Issuance of new shares ^(a)	2,441	2,270
Balance as at 31 December 2022, 1 January 2023 and 30 June 2023	511,289	445,473
Issuance of new shares	–	–
Balance as at 31 December 2023	511,289	445,473

- (a) On 8 March 2022, the Company issued 2,441,000 new ordinary shares at S\$0.20 per share to Mr You Zhongjiang, held in trust by Honour Pte. Ltd. in accordance with PRC legal requirements as Mr You Zhongjiang is a PRC national, pursuant to the exercise of the options granted under the Aoxin Q & M Employee Share Option Scheme in relation to the acquisition of 100% equity interest in Youxin Dental Clinic.

Share options

As at 31 December 2023, there were no outstanding share options (2022: Nil).

12. Share capital (cont'd)

Share awards

As at 31 December 2023, the total number of share awards outstanding under Aoxin Q & M Performance Share Plan was 960,565 (2022: 960,565) which vest in accordance with the vesting schedules each commencing on 1 January 2020 and ending on 31 December 2029, subject to certain vesting conditions.

As at 31 December 2023, the issued and paid-up share capital excluding treasury shares of the Company comprised 511,288,635 (2022: 511,288,635) ordinary shares. There was no change in the Company's share capital from 30 June 2023 to 31 December 2023.

Save as disclosed above, there were no subsidiary holdings, treasury shares or outstanding convertibles as at 31 December 2023 and 31 December 2022.

13. Other financial liabilities – borrowings and debt securities

<u>Group</u>	<u>Secured</u>		<u>Unsecured</u>	
	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
Repayable in one year or less, or on demand:				
Bank loan	–	–	681	639
Bill payable	–	2,600	–	–
Subtotal	–	2,600	681	639
Repayable after one year:				
Bank loan	–	–	339	979
Total	–	2,600	1,020	1,618
<u>Company</u>				
Repayable in one year or less, or on demand:				
Bank loan	–	–	681	639
Repayable after one year:				
Bank loan	–	–	339	979
Total	–	–	1,020	1,618

13A. Bank loan (unsecured)

The unsecured bank loan of RMB1,020,000 (2022: RMB1,618,000) is a 5-year temporary bridging loan ("TBL") extended by a bank in Singapore. The TBL shall be repaid over 60 monthly instalments with fixed interest rate of 2.25% (2022: 2.25%) per annum.

13B. Bills payables (secured)

As at 31 December 2022, bill payable amounting to RMB2,200,000 was secured by a pledge of a subsidiary's property and corporate guarantees of 2 subsidiaries in the Group. The remaining bill payable amounting to RMB400,000 was secured by corporate guarantee of the Company.

The bills payables bore floating interest rate ranging at 4.60% (2022: 4.60% to 5.46%) per annum and were repayable within 6 months or 1 year (2022: within 6 months or 1 year). The bill payables were fully repaid in FY2023.

14. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>FY2023</u> RMB cents	<u>FY2022</u> RMB cents	<u>FY2023</u> RMB cents	<u>FY2022</u> RMB cents
Net asset value per ordinary share	52.2	60.7	73.3	79.4

The net asset value per ordinary share of the Group and of the Company have been calculated based on the total issued number of ordinary shares of 511,288,635 as at 31 December 2023 and 31 December 2022 respectively.

15. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

During the reporting year, certain subsidiaries in the Group leased clinics, hospitals and offices from their directors, and the Company leased software from a related party. As at 31 December 2023, the total carrying values of the Group's and the Company's right-of-use assets related to these leases were RMB4,154,000 and RMB614,000 (2022: RMB5,110,000 and RMB821,000) respectively.

16. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2023</u> RMB'000	<u>FY2022</u> RMB'000
<u>Financial assets:</u>				
Financial assets at amortised cost	88,718	73,285	46,780	37,490
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	46,365	55,338	4,737	5,924

17. Contingent liabilities and contingent assets

The following table shows the maturity analysis of the contingent liabilities from financial guarantees at the end of the reporting year:

	Company	
	FY2023	FY2022
	RMB'000	RMB'000
Financial guarantee contracts – bank guarantee in favour of subsidiaries	–	400

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period (being on demand) in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

There are no contingent assets as at date of this set of financial statements.

18. Capital commitments

As at 31 December 2023, there was no committed future capital expenditure not recognised in the financial statements (31 December 2022: RMB 378,000).

19. Dividends on equity shares

No dividend has been declared or recommended during the current reporting period and previous corresponding period as the Group is conserving cash for working capital needs.

20. Events after the end of the reporting period

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C**1. Review**

The condensed interim consolidated statement of financial position of the Group and of the Company as at 31 December 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year ended and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business**FY2023 vs FY2022****Statement of Profit or Loss and Other Comprehensive Income****Revenue**

The Group's revenue increased by RMB37.6 million or 26.9% from RMB139.7 million for the financial year ended 31 December 2022 ("FY2022") to RMB177.3 million for the financial year ended 31 December 2023 ("FY2023"). The increase was largely due to the recovery from Covid-19 for all business segments of the Group.

Revenue from primary healthcare segment increased by 33.2% from RMB87.0 million in FY2022 to RMB115.9 million in FY2023. Revenue from distribution of dental equipment and supplies segment increased by 7.3% from RMB39.3 million in FY2022 to RMB42.2 million in FY2023. Revenue from laboratory services segment increased by 43.1% from RMB13.4 million in FY2022 to RMB19.2 million in FY2023. The higher revenue from all segments was due to resumption to full operation at all our dental polyclinics and hospitals in 2023. In FY2022, resurgence of Covid-19 in the PRC had led to temporarily closures of some of our dental polyclinics and hospitals for more than one month.

Other Income and Gains

Other income and gains increased by 11.9% or RMB0.3 million from RMB2.7 million in FY2022 to RMB3.0 million in FY2023 mainly due to gain from remeasurement of right-of-use assets and liabilities and higher government grant. As the acquired subsidiaries met their profit targets in 2023, there were no profit guarantee income in 2023 compared to a profit guarantee income of RMB1.4 million recognised in 2022.

Expenses**Cost of consumables and dental supplies**

Consumables and dental supplies used increased by 39.6% from RMB12.0 million in FY2022 to RMB16.8 million in FY2023, which was mainly due to a 33.2% increase in revenue from the primary healthcare segment.

As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used in FY2023 was 14.5% as compared to 13.8% in FY2022. The lower profit margin was mainly due to the national centralised procurement policy for dental implants implemented by the government in mid 2023, which placed a price cap on dental implants and thereby resulting in lower margins for such procedures.

Cost of sales in dental equipment and supplies

Cost of sales in dental equipment and supplies increased by 12.3% from RMB32.5 million in FY2022 to RMB36.5 million in FY2023, which was due to a 7.3% increase in revenue from the distribution of dental equipment and supplies segment.

As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales in dental equipment and supplies in FY2023 was 86.6% as compared to 82.8% in FY2022. The lower profit margin was mainly due to lower sales of dental equipment to government hospitals.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)Cost of laboratory services

Cost of laboratory services increased by RMB1.1 million or 30.0% to RMB4.7 million in FY2023. The increase is mainly due to the 43.1% increase in revenue from laboratory services segment.

As a percentage of revenue from the laboratory services segment, cost of laboratory services was 24.4% in FY2023 as compared to 26.8% in FY2022. The higher profit margin for FY2023 was mainly due to better material cost and inventory control.

Employee benefits expenses

Employee benefits expense increased by 10.1% from RMB69.8 million in FY2022 to RMB76.9 million in FY2023. The increase was largely due to the commissions payable to employees that is correlated to the increase in revenue. The increase in employee benefits expenses was at a comparably lower rate compared to the increase in revenue of 26.9% due to the fixed salaries paid to administrative staff, nurses and some dentists in the Group.

Impairment loss on investment in an associate

The impairment loss on investment in an associate was RMB46.9 million and RMB60.2 million for FY2023 and FY2022 respectively. The impairment loss was due to the weak performance of the associate arising from the relaxing of Covid-19 control measures in many countries including Singapore.

Other expenses

Other expenses increased by 28.2% or RMB4.4 million from RMB15.5 million in FY2022 to RMB19.9 million in FY2023. The increase was mainly due to:

- (i) increase in professional fee to dentists of RMB1.9 million;
- (ii) increase in travelling expenses of RMB1.1 million;
- (iii) increase in other tax expenses of RMB0.8 million;
- (iv) increase in advertisement fee of RMB0.4 million; and
- (v) increase in utilities expenses of RMB0.3 million.

As a percentage of revenue, other expenses in FY2023 slightly increased to 11.2% from 11.1% in FY2022.

Other losses

Other losses increased RMB2.1 million from RMB1.8 million in FY2022 to RMB3.9 million in FY2023. The increase in other losses was mainly due to the impairment loss on plant and equipment, inventories written down, and plant and equipment written off as well as bad debts written off.

EBITDA/(LBITDA) (including share of results of associate)

The Group's LBITDA decreased from RMB52.5 million in FY2022 to RMB24.5 million in FY2023. The improvement was largely due to the improvement in primary healthcare segment by RMB15.2 million as a result of higher revenue. However, the increase was partially offset by the lower EBITDA from the distribution of dental equipment and supplies segment. LBITDA amounting to RMB24.5 million was largely due to the impairment loss on investment in an associate of RMB46.9 million. Excluding the impairment loss on investment in an associate of RMB46.9 million, the Group would have been recorded EBITDA amounting to RMB22.4 million (FY2022: RMB7.6 million).

Share of results of associate

Share of results of associate, Acumen Diagnostics Pte. Ltd., decreased from profit of RMB1.7 million in FY2022 to a profit of RMB1.1 million in FY2023. The decrease was largely due to changes in Singapore government's policy on PCR test and the shift to antigen rapid test following the reclassification of Covid-19 from pandemic to endemic stage.

Income tax

The tax expense was RMB3.2 million in FY2023 as compared to a tax benefit of RMB5.3 million in FY2022. The tax expense was largely due to adjustment to deferred tax assets resulted from the change of tax rate.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**Loss, net of tax**

For the reasons given above, the Group recorded a net loss of RMB47.3 million in FY2023 as compared to a net loss of RMB67.7 million in FY2022. Loss net of tax excluding impairment loss on investment in an associate for FY2023 was loss of RMB0.4 million as compared to a loss of RMB7.5 million in FY2022.

2H2023 vs 2H2022**Statement of Profit or Loss and Other Comprehensive Income****Revenue**

The Group's revenue increased by RMB22.1 million or 29.6%, from RMB74.6 million for the six months ended 31 December 2022 ("**2H2022**") to RMB96.7 million in 2H2023. The increase was largely due to the recovery from Covid-19 in 2023 for all business segments of the Group.

As a result, the revenue for primary healthcare segment increased by RMB20.0 million to RMB65.3 million while laboratory services segment increased by RMB3.2 million to RMB10.3 million.

Revenue from distribution of dental equipment and supplies segment decreased by 5.2%, from RMB22.3 million in 2H2022 to RMB21.2 million in 2H2023. This was mainly due to lesser demand of dental equipment from government hospitals.

Expenses**Cost of consumables and dental supplies**

Consumables and dental supplies used increased by 44.8% from RMB6.9 million in 2H2022 to RMB9.9 million in 2H2023.

As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used in 2H2023 and 2H2022 were both 15.2%. Lower profit margin due to national centralised procurement policy for dental implants implemented by the government in mid 2023 was mitigated by higher contribution from management fee income.

Cost of sales in dental equipment and supplies

Cost of sales in dental equipment and supplies increased by 0.4% from RMB18.3 million in 2H2022 to RMB18.3 million in 2H2023.

As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales in dental equipment and supplies in 2H2023 was 86.7% as compared to 81.8% in 2H2022. The lower profit margin was mainly due to lower sales of dental equipment to government hospitals.

Cost of laboratory services

Cost of laboratory services increased by 32.4% from RMB2.1 million in 2H2022 to RMB2.8 million in 2H2023.

As a percentage of revenue from the laboratory services segment, cost of laboratory services was 27.2% in 2H2023 as compared to 30.1% in 2H2022. The decrease was mainly due to economies of scale.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)

Employee benefits expenses

Employee benefits expense increased by 11.0% from RMB35.9 million in 2H2022 to RMB39.8 million in 2H2023. The increase was largely due to higher commissions payable to employees that is correlated to the increase in revenue.

Impairment loss on investment in an associate

The impairment loss on investment in an associate was RMB46.9 million and RMB60.2 million for 2H2023 and 2H2022 respectively. The impairment loss was due to the weak performance of the associate arising from the relaxing of Covid-19 control measures in many countries including Singapore.

Other expenses

Other expenses increased by 30.9% from RMB8.5 million in 2H2022 to RMB11.2 million in 2H2023. The increase was mainly due to:

- (i) increase in professional fee to dentists of RMB1.9 million;
- (ii) increase in other tax expenses of RMB0.8 million; and
- (iii) increase in travelling expenses of RMB0.6 million;

The above increases were partially offset by decrease in entertainment fee by RMB0.4 million.

As a percentage of revenue, other expenses in 2H2023 increased to 11.6% from 11.4% in 2H2022.

Other losses

Other losses increased by RMB1.6 million from RMB1.3 million in 2H2022 to RMB2.9 million in 2H2023. The increase in other losses was mainly due to the impairment loss on plant and equipment, inventories written down and higher plant and equipment written off as well as bad debts written off. However, the increase was partially offset by decrease in foreign exchange losses.

EBITDA/(LBITDA) (including share of results of associate)

The Group's LBITDA decreased from RMB58.8 million in 2H2022 to RMB33.3 million in 2H2023. The improvement was largely due to improvement in primary healthcare and laboratory services segment.

Share of results of associate

Share of results of associate was loss of RMB1.0 million in 2H2023 as compared to a loss of RMB1.4 million in 2H2022. The improvement was largely due to higher contribution from government contracts.

Income tax

The tax expense was RMB3.2 million in 2H2023 as compared to a tax benefit of RMB4.7 million in 2H2022. The tax expense was largely due to adjustment to deferred tax asset resulted from change of tax rate.

Loss, net of tax

For the reasons given above, the Group recorded a net loss of RMB46.1 million in 2H2023 as compared to a net loss of RMB64.3 million in 2H2022. Profit net of tax excluding impairment loss on investment in an associate for 2H2023 was RMB0.7 million as compared to a loss of RMB4.1 million in 2H2022.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**Statement of Financial Position**

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2023 and 31 December 2022.

Non-Current Assets

Property, plant and equipment decreased by RMB7.6 million, from RMB42.0 million as at 31 December 2022 to RMB34.4 million as 31 December 2023. The decrease was mainly due to depreciation expenses.

Right-of-use ("ROU") assets decreased by RMB3.4 million, from RMB32.8 million as at 31 December 2022 to RMB29.4 million as at 31 December 2023, mainly due to depreciation of ROU assets. The Group's ROU assets are related to premises leased by the Group for its dental centres and business units.

Investment in an associate decreased by RMB53.9 million from RMB74.8 million as at 31 December 2022 to RMB20.9 million as at 31 December 2023 largely due to an impairment amounting to RMB46.9 million and dividend received amounting to RMB10.5 million. However the decrease was partially offset by foreign exchange adjustment amounting to RMB2.4 million and share of results from associate amounting to RMB1.1 million.

Deferred tax asset decreased by RMB2.9 million due to a adjustment to deferred tax assets as a result of change of tax rate.

Current Assets

Trade and other receivables increased by RMB3.6 million, from RMB33.9 million as at 31 December 2022 to RMB37.5 million as at 31 December 2023. The increase was largely due to an increase in trade and non-trade receivables from primary healthcare resulted from higher primary healthcare's sales and management fee income.

Cash and cash equivalents increased by RMB11.8 million, from RMB39.4 million as at 31 December 2022 to RMB51.2 million as at 31 December 2023, mainly due to cash inflows from operating activities of RMB17.8 million, receipt of dividend income of RMB10.5 million and partially offset by the repayment of lease liabilities of RMB10.3 million as well as repayment of bank loans and bill payables amounting to RMB3.3 million. For details on fluctuation of cash and cash equivalents, please refer to the cash flow movements analysis below.

Non-Current Liabilities

Lease liabilities decreased by RMB5.1 million, from RMB22.6 million as at 31 December 2022 to RMB17.5 million as at 31 December 2023 due to payment of lease liabilities.

Other non-current financial liabilities decreased by RMB0.7 million, from RMB1.0 million as at 31 December 2022 to RMB0.3 million as at 31 December 2023 due to the repayment of bank loan.

Current Liabilities

Other financial liabilities decreased by RMB2.5 million, from RMB3.2 million as at 31 December 2022 to RMB0.7 million as at 31 December 2023 mainly due to repayment of bank loan and bill payable.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)

FY2023 vs FY2022

Statement of Cash Flows

The Group's net cash flows generated from operating activities in FY2023 was RMB17.8 million. This was mainly attributable to operating cash inflows before changes in working capital of RMB22.1 million and partially offset by increase in trade and other receivables of RMB3.2 million and increase in inventories of RMB0.6 million.

Net cash generated from investing activities in FY2023 was RMB6.6 million, which was mainly attributable to receipt of dividend income from its associate company. This was partially offset by the acquisition of plant and equipment for the Group's operations.

Net cash flows used in financing activities in FY2023 was RMB13.6 million, mainly due to the repayment of lease liabilities and interest as well as repayment of bank loans and bills payable.

As a result of the above, the Group's cash and cash equivalents stood at RMB51.2 million as at 31 December 2023.

2H2023 vs 2H2022

Statement of Cash Flows

The Group's net cash flows generated from operating activities in 2H2023 was RMB16.8 million. This was mainly attributable to operating cash inflows before changes in working capital of RMB14.5 million, increase in trade and other payable, decrease in trade and other receivable as well as other non-financial assets in 2H2023.

Net cash flows generated from investing activities in 2H2023 was RMB8.4 million, which was mainly attributable to receipt of dividend income from its associate company and partially offset by the acquisition of plant and equipment for the Group's operations.

Net cash flows used in financing activities in 2H2023 was RMB8.2 million, mainly due to the repayment of lease liabilities and interest as well as repayment of bank loans and bills payables.

As a result of the above, the Group's cash and cash equivalents stood at RMB51.2 million as at 31 December 2023.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group's FY2023 results showed an improvement in revenue across all segments, reflecting the rebound in consumer spending and economic activity in China following the lifting of restrictions and regulations relating to Covid-19 in early 2023.

In FY2024, the Group will strive to build upon the momentum to achieve higher revenues, while continuing to improve the quality of dental care services during and post treatment, in order to further strengthen our branding in the market.

The Group will also seek to improve on its information management system to provide and enhance its services to patients, through analysis of available data on individual patients' needs and conditions so as to deliver better personalised services.

While the national centralised procurement policy for dental implants that was implemented in 2023 by the government has affected margins for implant services, it has also resulted in higher affordability for the patients and management is in the view that there is sufficient and adequate demand.

Barring any unforeseen circumstances in the year ahead, we expect operations to gradually improve in 2024. We do not foresee at this point in time, any major known factors or events that may adversely affect the Group in the next 12 months.

5. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2023 as the Group is conserving cash for working capital needs.

7. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 3B to the condensed interim consolidated financial statements.

8. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business segments.**

Performance by business segment

Please refer to explanation in Paragraph 2 of Other Information Required By Catalist Rule Appendix 7C in this announcement.

9. **A breakdown of sales**

In RMB'000	Group		Change %
	FY2023	FY2022	
Revenue reported for first half year	80,575	65,118	23.7
Loss after tax reported for first half year	(1,154)	(3,365)	(65.7)
Revenue reported for second half year	96,680	74,603	29.6
Loss after tax reported for second half year	(46,146)	(64,310)	(28.2)

10. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. No dividend has been declared or recommended for FY2023 and FY2022.

11. **Interested person transactions**

The Group has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules. Particulars of the interested person transactions for FY2023, disclosed in accordance with Rule 907 of the Catalist Rules, are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Shao LiHua	Sister of Dr Shao YongXin, Executive Director and Group Chief Executive Officer of the Company	S\$135,000* Rental of premises at Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. and Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd.	None

* RMB5.3 to SGD1

12. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Shao LiHua	72	Sister of Dr Shao YongXin, Executive Director and Group Chief Executive Officer of the Company	Deputy Admin Manager (2014)	None

14. Disclosure on incorporation, acquisition and realization of shares pursuant to Catalist Rule 706A

During FY2023, the Company did not incorporate, acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A.

On behalf of the board of directors

Dr. Shao Yongxin
Executive Director and
Group Chief Executive Officer

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

29 February 2024