



Unaudited Financial Statements and Dividend Announcement
For the half year ended 30 June 2017

This announcement has been prepared by Aoxin Q & M Dental Group Limited (the “**Company**”) and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by 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) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.

Background

The Company was incorporated on 05 May 2011 in Singapore under the Singapore Companies Act as a company limited by shares under the name of “Q & M Dental Holdings (China) Pte. Ltd.”. On 25 January 2017, the Company has changed its name to “Aoxin Q & M Dental Group Pte. Ltd.”. The Company was converted into a public limited company and renamed “Aoxin Q & M Dental Group Limited” on 30 March 2017.

The Company and its subsidiaries (the “**Group**”) was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of a corporate reorganization implemented for the purposes of the Company’s listing on the Catalist Board of the SGX-ST (“**Catalist**”). The Company was listed on the Catalist on 26 April 2017. Please refer to the Company’s offer document dated 18 April 2017 for further details on the Restructuring Exercise.

The Group’s business can be categorised into two segments:

- (a) the provision of private dental services, which includes, amongst others, the practice of stomatology and general dentistry, endodontics, orthodontics, periodontics, prosthodontics, dental implantology, oral and maxillofacial surgery, aesthetic dentistry and paedodontics, as well as the management of dental centres for and on behalf of other owners; and
- (b) the distribution of dental equipment and supplies, which includes, amongst others, the distribution of equipment and supplies used in the provision of dental services.



Financial Statement Announcement for Half-Year Ended 30 June 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A Consolidated Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

In RMB'000	Note	Group		
		1H2017	1H2016	Change %
Revenue				
Primary healthcare		32,389	29,669	9
Dental equipment and supplies distribution		15,226	9,280	64
Total revenue		47,615	38,949	22
Other income	1(a)(i)	111	140	(21)
Expenses				
Consumables and dental supplies		(4,038)	(3,535)	14
Dental equipment and supplies		(11,960)	(7,269)	65
Employee benefits		(13,675)	(11,839)	16
Depreciation and amortisation		(2,680)	(2,320)	16
Rental		(2,279)	(2,067)	10
Finance costs		(3)	(490)	(99)
Professional fee and expenses related to listing		(5,192)	-	NM
Other expenses		(4,298)	(4,503)	(5)
Profit before tax from continuing operations		3,601	7,066	(49)
Income tax expense		(2,296)	(2,530)	(9)
Profit net of tax from continuing operations		1,305	4,536	(71)
Profit from discontinuing operations		-	186	NM
Profit from disposal of discontinued operations		130	3,996	(97)
Profit net of tax		1,435	8,718	(84)
Profit net of tax from continuing operations excluding professional fee and expenses related to listing		6,497	4,536	43
Other comprehensive income:				
Exchange differences on translating foreign operations		(1,390)	(7,803)	(82)
Other comprehensive loss for the period		(1,390)	(7,803)	(82)
Total comprehensive income for the period		45	915	(95)



1(a) A Consolidated Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

In RMB'000	Note	Group		Change %
		1H2017	1H2016	
Profit attributable to:				
Owners of the Company				
- Continuing operations		1,305	1,088	20
- Discontinued operations		134	2,081	(94)
		1,439	3,169	(55)
Non-controlling interest				
- Continuing operations		-	3,448	NM
- Discontinued operations		(4)	2,101	NM
		(4)	5,549	NM
Profit net of tax		1,435	8,718	(84)
Total comprehensive income/(loss) attributable to:				
Owners of the Company				
- Continuing operations		(85)	(3,219)	(97)
- Discontinued operations		134	(1,415)	NM
		49	(4,634)	NM
Non-controlling interest				
- Continuing operations		-	3,448	NM
- Discontinued operations		(4)	2,101	NM
		(4)	5,549	NM
Total comprehensive income		45	915	(95)

NM: Not Meaningful

Note:

1(a)(i) Other income

In RMB'000	1H2017	1H2016
Foreign exchange adjustments gain	86	118
Interest income	25	22
	111	140



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

1(b)(i) A Statement of Financial Position of the Group and the Issuer, together with a comparative statement as at the end of the immediately preceding financial year.

In RMB'000	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
ASSETS				
<u>Non-current assets</u>				
Plant and equipment	36,044	36,778	432	2
Intangible assets	99,614	99,798	-	-
Investment in subsidiaries	-	-	214,781	223,801
Other assets	458	491	458	491
Total non-current assets	136,116	137,067	215,671	224,294
<u>Current assets</u>				
Assets classified as disposal group	-	13,218	-	-
Inventories	7,774	6,780	-	-
Trade and other receivables	15,136	16,048	1,932	3,279
Other assets	2,822	762	513	676
Cash and cash equivalents	88,361	34,918	54,157	10,561
Total current assets	114,093	71,726	56,602	14,516
Total assets	250,209	208,793	272,273	238,810
EQUITY AND LIABILITIES				
<u>Equity</u>				
Share capital	275,677	44,312	275,677	44,312
Retained earnings/(Accumulated losses)	13,756	12,317	(6,717)	(5,639)
Other reserves	(65,568)	22,646	2,852	106,614
Equity attributable to owners of Company	223,865	79,275	271,812	145,287
Non-controlling interest	-	15,587	-	-
Total equity	223,865	94,862	271,812	145,287
<u>Non-current liabilities</u>				
Deferred tax liabilities	1,611	1,657	-	-
Total non-current liabilities	1,611	1,657	-	-
<u>Current liabilities</u>				
Liabilities classified as disposal group	-	276	-	-
Income tax payables	283	870	-	-
Trade and other payables	24,450	111,128	461	93,523
Total current liabilities	24,733	112,274	461	93,523
Total liabilities	26,344	113,931	461	93,523
Total equity and liabilities	250,209	208,793	272,273	238,810



1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 30 June 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30 June 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

As at 30 June 2017 and 31 December 2016, the Group had no borrowings.

Details of any collateral

Not applicable.



1(c) A consolidated statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

In RMB'000	Group	
	1H2017	1H2016
<u>Cash flows from operating activities</u>		
Profit before tax	3,601	7,066
Adjustments for:		
Depreciation and amortisation expense	2,680	2,320
Expenses incurred related to listing	5,192	-
Gain on disposal of discontinued operations	-	(5,104)
Foreign currency translation reserve	(1,071)	(4,045)
Interest expense	3	-
Profit from discontinuing operations	-	127
Operating cash flows before changes in working capital	10,405	364
Inventories	(994)	(3,764)
Trade and other receivables	(1,523)	(4,654)
Other assets	(2,027)	(2,071)
Trade and other payables	5,602	8,464
Cash flows from discontinuing operating activities	-	2,276
Net cash flows from operations	11,463	615
Income taxes paid	(2,929)	(5,579)
Net cash flows from/(used in) operating activities	8,534	(4,964)
<u>Cash flows used in investing activities</u>		
Disposal of discontinued operations	-	6,482
Purchase of plant and equipment	(1,761)	(2,252)
Cash flows used in discontinuing investing activities	-	(1,556)
Net cash flows (used in)/from investing activities	(1,761)	2,674
<u>Cash flows from financing activities</u>		
Repayment of advances to related companies	(4,857)	(7,747)
Dividend paid	-	(1,901)
Interest paid	(3)	-
Proceeds from borrowing	-	49,282
Expenses incurred related to listing	(8,153)	-
Proceeds from share subscription	59,683	-
Net cash flows from financing activities	46,670	39,634
Net increase in cash and cash equivalents	53,443	37,344
Cash and cash equivalents at beginning of period	34,918	14,390
Cash and cash equivalents at end of period	88,361	51,734



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1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

In RMB'000	Share capital	Retained earnings	Other reserves	Attributable to Company Total	Non-controlling Interest	Total equity
Group						
Opening balance at 1 January 2017	44,312	12,317	22,646	79,275	15,587	94,862
Movement in equity:						
Total comprehensive income / (loss) for the period	-	1,439	(1,390)	49	(4)	45
Issue of new shares pursuant to Restructuring Exercise	178,105	-	(101,808)	76,297	-	76,297
Issue of new shares pursuant to listing	56,221	-	-	56,221	-	56,221
Increase in non-controlling interest without a change in control	-	-	14,984	14,984	(14,984)	-
Capitalisation of listing expenses	(2,961)	-	-	(2,961)	-	(2,961)
Disposal of subsidiary classified under disposal group	-	-	-	-	(599)	(599)
Closing balance at 30 June 2017	275,677	13,756	(65,568)	223,865	-	223,865
Group						
Opening balance at 1 January 2016	525	6,498	10,348	17,371	70,401	87,772
Movement in equity:						
Total comprehensive income / (loss) for the period	-	3,169	(7,803)	(4,634)	5,549	915
Dividends paid to non-controlling interest	-	-	-	-	(1,901)	(1,901)
Issue of share capital	43,787	-	-	43,787	-	43,787
Acquisition of subsidiaries	-	-	-	-	2,560	2,560
Disposal of subsidiary classified under disposal group	-	-	(91)	(91)	(49,950)	(50,041)
Closing balance at 30 June 2016	44,312	9,667	2,454	56,433	26,659	83,092



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1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

In RMB'000	Share capital	Accumulated losses	Other reserves	Total equity
Company				
Opening balance at 1 January 2017	44,312	(5,231)	106,206	145,287
Movements in equity:				
Total comprehensive loss for the period	-	(1,486)	(1,546)	(3,032)
Issue of new shares pursuant to Restructuring Exercise	178,105	-	(101,808)	76,297
Issue of new shares pursuant to listing	56,221	-	-	56,221
Capitalisation of listing expenses	(2,961)	-	-	(2,961)
Closing balance at 30 June 2017	275,677	(6,717)	2,852	271,812
Company				
Opening balance at 1 January 2016	525	(20,453)	6,760	(13,168)
Movements in equity:				
Total comprehensive income / (loss) for the period	-	21,552	(4,304)	17,248
Issue of share capital	43,787	-	-	43,787
Closing balance at 30 June 2016	44,312	1,099	2,456	47,867



- 1 (d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares	Number of Shares '000	Share Capital RMB'000
At 1 Jan 2017	10,000	44,312
Issuance of new shares pursuant to restructuring exercise	<u>288,816</u>	<u>178,105</u>
Balance as at 1 February 2017	298,816	222,417
Issuance of new shares pursuant to IPO	57,000	56,221
Capitalisation of listing expenses	<u>-</u>	<u>(2,961)</u>
Balance as at 30 June 2017	<u>355,816</u>	<u>275,677</u>

There were no subsidiary holdings, treasury shares or convertible instruments as at 30 June 2017 and 30 June 2016.

On 12 October 2016, the Company had entered into a share subscription agreement with Honour Pte. Ltd. ("Honour") to reward and incentivise certain PRC-based dental professionals and employees of the Group. The Group had on 14 July 2017, issued 16,346,000 new ordinary shares at an issue price of S\$0.12 per share to Honour for the cash consideration of S\$1,961,520.

- 1 (d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 Jun 2017	31 Dec 2016
Total number of issued shares excluding treasury shares	<u>355,815,638</u>	<u>10,000,000</u>

- 1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings.



2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been reviewed or audited by the Company's auditor.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as set out in Paragraph 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the audited annual financial statements for the financial year ended 31 December 2016.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current reporting period, the Group adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for first-time adoption during the current reporting period. The adoption of these new and revised FRS and INT FRS has no material effect on Group's financial statements.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share (RMB cents)	Group	
	1H2017	1H2016
(i) Basic earnings per share		
a. Continuing operations	0.47	0.67
b. Discontinued operations	0.05	1.27
	0.52	1.94
Weighted average number of shares	279,053,200	163,461,538
(ii) On a fully diluted basis		
a. Continuing operations	0.46	0.67
b. Discontinued operations	0.05	1.27
	0.51	1.94
Weighted average number of shares	282,825,354	163,461,538

The basic EPS for the period ended 30 June 2017 and 30 June 2016 have been computed based on the profit attributable to equity holders of Company, net of tax.



The diluted EPS for the period ended 30 June 2017 was computed based on the weighted average number of ordinary shares and ordinary shares issued to the non-controlling interest of subsidiaries and Honour. There is no dilutive effect for the period ended 30 June 2016.

As presented in the Company's annual report for the financial year ended 31 December 2016 ("FY2016"), the weighted average number of ordinary shares outstanding in 1H2016 are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of 1H2016. Because the capitalization of the amounts payable to immediate parent company was without consideration, it is treated as if it had occurred before the beginning of 2015. There is no dilutive effect from the issuance of shares after FY2016 to the non-controlling interest of subsidiaries for the acquisition of the remaining interest in the subsidiaries and from the subscription of shares by Dr Cheah Kim Fee and Honour as they are anti-dilutive.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- a) current financial period reported on; and
- b) immediately preceding financial year.

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Net asset value per ordinary share (RMB cents)	62.9	48.5	76.4	88.9

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 355,815,638 and 163,461,538 as at 30 June 2017 and 31 December 2016 respectively. The total number of ordinary shares for 31 December 2016 was adjusted due to capitalisation of amount due to Q&M Dental Group (Singapore) Ltd.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Statement of Comprehensive Income

Revenue

Revenue from primary healthcare increased 9% from RMB29.7 million for 1H2016 to RMB32.4 million for 1H2017. This was mainly due to:

- i. The Group's efforts to promote paediatric dental for its hospitals and clinics in 1H2016;
- ii. Full 6 months of operations for the new Orthodontic Department at Shenyang Aoxin Q & M Stomatology Co., Ltd; and
- iii. Renovation that increased the number of dental chairs at both Gaizhou City Aoxin Q & M Stomatology Hospital Co., Ltd and Panjin Jinsai Q & M Stomatology Co., Ltd at the end of FY2016.



Revenue from the dental equipment and supplies distribution business increased by 64% from RMB9.3 million in 1H2016 to RMB15.2 million in 1H2017 as more supply contracts were secured.

Expenses

Consumables and Dental Supplies

Consumables and supplies used increased by 14% from RMB3.5 million in 1H2016 to RMB4.0 million in 1H2017. This is in line with the increase in revenue.

Dental Equipment and Supplies

In line with higher revenue, cost of sales for dental equipment and supplies distribution business increased by 65% from RMB7.3 million in 1H2016 to RMB12.0 million in 1H2017.

Employee Benefits

Headcount for both primary healthcare and dental equipment and supplies distribution segments rose in line with the revenue. As a result, employee benefits increased by 16% from RMB11.8 million in 1H2016 to RMB13.7 million in 1H2017.

Depreciation and Amortisation

Depreciation and amortisation expenses increased by 16% from RMB2.3 million in 1H2016 to RMB2.7 million in 1H2017. The increase of RMB0.4 million was mainly due to renovation and purchase of dental equipment.

Rental Expense

Rental expense increased by 10% from RMB2.1 million in 1H2016 to RMB2.3 million in 1H2017. The increase of RMB0.2 million was mainly due to rental of vehicle by Shenyang Maotai Q & M Medical Equipment Co., Ltd.

Finance Costs

With the repayment of the Company's term loan in August 2016, finance costs reduced by 99% from RMB0.5 million in 1H2016 to RMB3,000 in 1H2017.

Professional Fee and Expenses Related to Listing

Professional fees and expenses of RMB5.2 million incurred in 1H2017 were related to the listing of the Company. There were no similar expenses in 1H2016.

Profit Before Tax from Continuing Operations

Profit before tax from continuing operations decreased by RMB3.5 million or 49% from RMB7.1 million in 1H2016 to RMB3.6 million in 1H2017. The decrease in profit was mainly due to the one-off professional fee and expenses incurred in relation to the listing of the Company.

Excluding the one-off professional fee and expenses amounting to RMB5.2 million incurred in relation to the listing of the Company, profit before tax from continuing operations would be RMB8.8 million for 1H2017 as compared to RMB7.1 million for 1H2016.

Profit Net of Tax from Continuing Operations

Profit net of tax from continuing operation decreased by RMB3.2 million or 71% from RMB4.5 million in 1H2016 to RMB1.3 million in 1H2017. Excluding the one-off professional fee and expenses amounting to RMB5.2 million incurred in relation to the listing of the Company, profit net of tax from continuing operations would be RMB6.5 million for 1H2017 as compared to RMB4.5 million for 1H2016.



Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 June 2017 and 31 December 2016.

Non-Current Assets

Non-current assets decreased by RMB1.0 million from RMB137.1 million as at 31 December 2016 to RMB136.1 million as at 30 June 2017 mainly due to depreciation of plant and equipment.

Current Assets

Current assets increased by RMB42.4 million from RMB71.7 million as at 31 December 2016 to RMB114.1 million as at 30 June 2017 mainly due to:

- i. Net proceeds from issuance of shares pursuant to IPO of RMB 56.2 million;
- ii. Higher amounts of prepaid expenses; and
- iii. An increase in inventories in line with the increase in revenue for distribution of dental equipment and supplies.

The increases were offset by a decrease in assets classified as disposal group of RMB13.2 million due to the completion of the sale of Shanghai Chuangyi Investment and Management Co., Ltd in March 2017 to Q&M Dental Group (Singapore) Limited as part of the Restructuring Exercise.

Current Liabilities

There were no liabilities classified as disposal group as the disposal of Shanghai Chuangyi Investment and Management Co., Ltd was completed in March 2017.

Income tax payable as at 30 June 2017 decreased by RMB0.6 million from RMB0.9 million as at 31 December 2016 to RMB0.3 million as at 30 June 2017 as payments were made during the financial period.

Trade and other payables as at 30 June 2017 decreased to RMB24.5 million from RMB111.1 million as at 31 December 2016. The decrease of RMB86.6 million was mainly due to the capitalisation of amount due to Q&M Dental Group (Singapore) Limited as part of the Restructuring Exercise.

Statement of Cash Flows

The Group's net cash flow from operating activities in 1H2017 was RMB8.5 million. This was mainly attributable to the increase in operating cash flows before changes in working capital, partially offset by the increase of inventories, trade and other receivables, trade and other payables and other assets.

Net cash used in investing activities in 1H2017 was RMB1.8 million, which was mainly attributable to acquisitions of plant and equipment.

Net cash from financing activities in 1H2017 was RMB46.7 million, which was mainly attributable to the issuance of shares pursuant to the Company's listing on the Catalist and the Restructuring Exercise.

Overall, the Group's cash and cash equivalents as at 30 June 2017 increased by RMB53.5 million to RMB88.4 million from RMB34.9 million as at 31 December 2016.

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

No forecast or a prospect statement was disclosed previously.



10. **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.**

Industry Prospects

Barring any unforeseen circumstances, there are no significant changes in the trends and competitive conditions of the industry in which the Group operates and no major known factors or events that may adversely affect the Group in the next reporting period and the next twelve months.

Recent Developments

- Update on Proposed Acquisition of Shenyang Qingamei Oral Restorative Technology Co., Ltd.

On 15 May 2017, the Group announced the proposed acquisitions of Shenyang Qingamei Oral Restorative Technology Co., Ltd (“**SYQM**”). SYQM is one of the largest dental prosthetic device maker in North Eastern China with a focus on providing custom-made prostheses to dental patients with acquisition price of RMB16.9 million. The consideration will be satisfied in cash of RMB10.45 million and an issuance of RMB6.45 million worth of new ordinary shares of the Company at S\$0.236 each. The new shares to be issued will be moratorised for 5 years.

- Update on Proposed Acquisition of Zhuanghe City Chengguan Street Jiadawei Dental Clinic

On 15 May 2017, the Group announced the proposed acquisitions of Zhuanghe City Chengguan Street Jiadawei Dental Clinic (“**ZHJDW**”). ZHJDW is a dental clinic based in Zhuanghe City, Liaoning Province, China that provides general dental healthcare services. The acquisition consideration of RMB8.4 million will be satisfied in cash of RMB4.12 million and an issuance of RMB 4.28 million worth of new ordinary shares at S\$0.236 each. The new shares to be issued will be moratorised for 5 years.

Future Plans

The Group intends to continue executing the business plans outlined below.

- Business Expansion through Organic Growth, Mergers and Acquisitions, Joint Ventures and Partnerships

The Group intends to:

- Open more dental centres to meet the growing demands for such services in Northern PRC;
- Expand footprint through mergers and acquisitions, joint ventures and partnerships with other dental centres who seek collaboration with the Group; and
- Continue with business development and expansion by hiring and retaining more dental professionals while improving the Group’s value proposition through the enhancement of compensation and the quality of its dental centres.



- Enhancement of Infrastructure to be at the Forefront of the Dental Industry
 - Leverage on the Group's collaboration with Jinzhou Medical University to ensure that the Group has a constant supply of dentists for its expansion;
 - Constantly adopt such developments into the Group's business to be at the forefront in the provision of private dental services;
 - Consolidate infrastructure of the Group's dental equipment and supplies business with the supply chain of its dental centres, for better business control and management of procurement to obtain volume discounts from suppliers; and
 - Continuous improvement of the quality of the Group's dental centres and enhancement of infrastructure by investing in equipment with the latest technology and facilitating the Group's dental professionals' access to continuous professional development and training.

11. 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) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officer under Rules 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.



15. Negative Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the period ended 30 June 2017 to be false or misleading in any material aspect.

16. Use of proceeds

	Amount allocated	Amount utilised	Balance of net proceeds as at the date of this announcement
	S\$ million	S\$ million	S\$ million
Expansion of business through organic growth, mergers and acquisitions, joint ventures and partnerships	6.4	-	6.4
Enhancement of infrastructure and working capital purposes	2.7	-	2.7
Net Proceeds from IPO	9.1	-	9.1

BY ORDER OF THE BOARD

Dr. Shao Yongxin
Group Chief Executive Officer
14 August 2017