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

VOLUNTARY BUSINESS UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 2023 ("1Q2023")

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 on the Group's financial performance for the first quarter ended 31 March 2023 ("**1Q2023**"). The financial information for 1Q2023 is based on the Group's unaudited consolidated management accounts.

Key Financial Highlights

	1Q2023	1Q2022	Change	Change
	RMB'000	RMB'000	RMB'000	%
Revenue	39,518	34,280	5,238	15.3
EBITDA[1]	4,878	3,682	1,196	32.5
(Loss) for the period (excluding share of profit from associate)	(106)	(1,485)	(1,379)	(92.9)
Share of profit from associate	3,105	4,289	(1,184)	(27.6)
Net profit for the period	2,999	2,804	195	7.0

Revenue
The Group reported revenue of RMB39.5 million in 1Q2023, an increase of RMB5.2 million or 15.3% as compared to the corresponding period ("**1Q2022**"). The increase was largely due to higher revenue contribution from primary healthcare segment resulting from the increase in number of patients due to the easing of Covid-19 control measures in China from December 2022.

EBITDA[1]
The Group's EBITDA increased RMB1.2 million to RMB4.9 million in 1Q2023 from RMB3.7 million in 1Q2022. The increase in EBITDA was mainly attributable to increase in revenue.

Share of profit from associate
Share of results of associate related to Acumen Diagnostics Pte. Ltd. ("**Acumen**") reduced to RMB3.1 million in 1Q2023 from RMB4.3 million in 1Q2022. Lower profit from Acumen was largely due to lower revenue resulting from changes in Singapore government's policy on PCR test and the shift to antigen rapid test as a result of reclassification of Covid-19 from pandemic to endemic stage.

[1] EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation (Excluding share of profit from associate)

Net profit for the period

As a result of the foregoing, the Group recorded a profit of RMB3.0 million in 1Q2023 as compared to RMB2.8 million in 1Q2022.

Revenue Analysis by Segments

	1Q2023	1Q2022	Change	Change
	RMB'000	RMB'000	RMB'000	%
Primary healthcare	25,535	21,349	4,186	19.6
Distribution of dental equipment and supplies	9,839	9,492	347	3.7
Laboratory services	4,144	3,439	705	20.5
Total	39,518	34,280	5,238	15.3

Revenue from the primary healthcare segment increased by RMB4.2 million or 19.6% in 1Q2023 as compared to 1Q2022, while revenue from the distribution of dental equipment and supplies segment and laboratory services segment increased by RMB0.3 million and RMB0.7 million respectively in 1Q2023. The improvement in revenue for all segments was mainly due to the easing of Covid-19 control measure in China from December 2022, while in 1Q2022 our clinics and hospitals faced temporary closure due to Covid-19 restriction.

Condensed Consolidated Statement of Financial Position

	Unaudited As at 31 March 2023	Audited As at 31 December 2022
	RMB'000	RMB'000
Cash and cash equivalents	37,522	39,429
Total equity	314,113	310,526
Total borrowings	3,666	4,218

Financial Position

As at 31 March 2023, the Group has cash and cash equivalent of RMB37.5 million while bank borrowings amounted to RMB3.7 million. As at 31 December 2022, the Group has cash and cash equivalent of RMB39.4 million while bank borrowings amounted to RMB4.2 million. The reduction in cash and cash equivalent was largely due to cash used in operation while the reduction in bank borrowing was due to repayment of bank loan. As a result of the foregoing, bank gearing ratio as at 31 March 2023 decreased to 1.2% from 1.4% as at 31 December 2022.

Outlook

- With the easing of Covid-19 control measures in China and resumption to full operation for all our polyclinics and hospitals, the Group is cautiously optimistic with our business in China in 2023.

- The Group will continue to focus on disciplined management of its operating expenditures, costs and capital expenditures. In addition, the Group is considering a potential fund raising exercise within the next 12 months.

- Acumen will continue to progressively roll out its pipeline of new non-Covid PCR tests. These include the tests for sepsis, identification of bacteria pathogens and their associated antimicrobial resistance in hospitalised pneumonia, as well as colorectal cancer screening and pharmacogenomics. Acumen is looking into the feasibility of replicating the testing centres and tests in international markets. This expansion plan aligns with Acumen's commitment to provide efficient and innovative healthcare solutions to individuals worldwide.

- Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions in which the Group operates and no other known factors or events that may adversely affect the Group's performance in the next 12 months.

BY ORDER OF THE BOARD

Dr. Shao Yongxin
Group Chief Executive Officer
11 May 2023

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*This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.