



AOXIN Q & M achieves better performance in 2H2020 despite challenging operating environment

Highlights:

- Revenue for 2H2020 rose by 13% to RMB85.9 million from RMB76.2 million in 2H2019 despite the restrictions imposed by COVID-19 pandemic.
- Recorded profit after tax (excluding other income and other losses) of RMB0.9 million in 2H2020 as compared to loss after tax of RMB7.0 million in 2H2019.

Singapore, 26 February 2021 – Catalyst-listed Aoxin Q & M Dental Group Limited (the “Company”, together with its subsidiaries, the “Group”), a leading provider of private dental services and dental equipment and supplies in the Liaoning Province, Northern People’s Republic of China (“PRC”), announced loss attributable to owners of the Company for the financial year ended 31 December 2020 (“FY2020”) of RMB12.1 million, as compared to loss attributable to owners of the Company of RMB13.5 million for the financial year ended 31 December 2019 (“FY2019”).

Financial Highlights

	% of			% of			% of		
	1H2020	1H2019	Change	2H2020	2H2019	Change	FY2020	FY2019	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	47,698	64,880	-26%	85,906	76,229	13%	133,604	141,109	-5%
Loss after tax	(10,454)	(5,950)	76%	(1,648)	(7,564)	-78%	(12,102)	(13,514)	-10%
(Loss)/ Profit after tax excluding other income and others losses	(9,785)	(5,825)	68%	866	(7,044)	NM	(8,919)	(12,869)	-31%
EBITDA	(181)	4,347	NM	9,641	5,191	86%	9,460	9,538	-1%

NM: Not Meaningful

The Group’s operations for FY2020 were negatively impacted by COVID-19 which evolved into a global pandemic. The Group’s total revenue decreased by 5% from RMB141.1 million for FY2019 to RMB133.6 million for FY2020. Despite of the challenges brought by the COVID-19 pandemic, the Group’s revenue for second half of FY2020 (“2H2020”) rose by 13% to RMB85.9 million from RMB76.2 million in second half of FY2019 (“2H2019”).

Excluding the other income and other losses, the Group incurred a loss after tax of RMB8.9 million for FY2020 as compared to RMB12.9 million for FY2019. Profit after tax (excluding



other income and other losses) was RMB0.9 million in 2H2020 as compared to a loss of RMB7.0 million in 2H2019. Due to strong recovery from the COVID-19 pandemic, the Group turn into profitability in 2H2020 as compared to 2H2019.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") of RMB9.5 million in FY2020 is comparable to FY2019's. The Group's EBITDA for 2H2020 improved by 86% to RMB9.6 million as compared to RMB5.2 million for 2H2019.

As of 31 December 2020, the Group had cash and cash equivalents of RMB37.9 million and bank borrowings of RMB17.7 million which results in the net debt of RMB20.2 million.

Commenting on the Group's FY2020 financial results, Dr Shao Yongxin, Group Chief Executive Officer said,

"In the first half of FY2020, the Group faced critical challenges brought by the COVID-19 pandemic. All our 16 dental centres were suspended from providing non-essential dental services in February and March 2020. The trust of our patients combined with our effort on keeping a tight control on costs enabled our Group to return to profitability in 2H2020. Despite the challenging market conditions, our business remained resilient with 13% increase in revenue for 2H2020 and achieved profit after tax (excluding other income and other losses) of RMB0.9 million in 2H2020 as compared to loss after tax of RMB7.0 million in 2H2019.

Overall, our Group remains optimistic of progressive recovery, and is encouraged that patient volume has been recovering. We will continue to mitigate the gestation losses of our newly opened dental hospitals and polyclinics by streamlining and integrating our resources across our operations. This would allow our newer clinics to tap on the experience of our staff, technical support, and publicity efforts of our established clinics. We hope that this will help to strengthen the operational efficiency in our newer hospitals and polyclinics, which in turn would lead to minimal losses and on the road to profitability."

As of 31 December 2020, the Group has 16 dental centres, comprising 6 dental hospitals and 10 dental polyclinics. The dental centres are located in eight different cities in Liaoning Province, Northern PRC, namely, Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian and Anshan. The Group's dental equipment and supplies distribution network covers the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 26 February 2021.

AOXIN Q & M DENTAL GROUP LIMITED

MEDIA RELEASE



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