



AOXIN Q & M DENTAL GROUP REPORTS 7% GROWTH IN REVENUE AND ACQUIRED 2 DENTAL POLYCLINICS

Highlights

- **Revenue rose by 7% to RMB30.6 million in 1Q2019 from RMB28.5 million in 1Q2018.**
- **Acquired 2 dental polyclinics**

Singapore, 14 May 2019 – Catalyst-listed **Aoxin Q & M Dental Group Limited** (“**AXQM**”) together with its subsidiaries (the “**Group**”), a leading provider of private dental services and dental equipment and supplies in the Liaoning Province, Northern PRC, announced a loss after tax for the first-quarter ended 31 March 2019 (“**1Q2019**”) of RMB3.4 million, as compared to a profit after tax of RMB1.4 million for the first-quarter ended 31 March 2018 (“**1Q2018**”).

Revenue from the primary healthcare segment grew by 3% to RMB18.9 million for 1Q2019 as compared to RMB18.4 million for 1Q2018. This was mainly due to revenue contributions from Panjin Aoxin Quanmin Stomatology Hospital Co. (“**PJAX**”) and Shenyang Shenhe Aoxin Stomatology Polyclinic Co., Ltd., which commenced operations in May 2018 but partially offset by lower revenue contribution in some existing polyclinics.

Revenue from the distribution of dental equipment and supplies business segment increased by 24% to RMB8.9 million for 1Q2019 as compared to RMB7.2 million for 1Q2018. This was mainly due to higher revenue generated from the sale of dental supplies.

Revenue from the provision of laboratory services decreased to RMB2.8 million for 1Q2019 as compared to RMB3.0 million for 1Q2018. The decrease was mainly due to the increase in sales tax from 3% in 1Q2018 to 16% in 1Q2019 resulting in lower revenue.

Loss after tax amounted to RMB3.4 million for 1Q2019. The loss was mainly due to initial start-up losses incurred in PJAX, Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd. and losses incurred in Heping polyclinic.

The Group had completed the acquisition of Shenyang Huanggu Aoxin Dental Clinic Co., Ltd. in 1Q2019.

Commenting on the Group’s financial results, Dr Shao YongXin, Group Chief Executive Officer said, “The Group has opened two dental polyclinics in 1Q2019. By 2Q2019, the Group will expand its footprint by adding a new dental hospital in Dalian and 2 dental

AOXIN Q & M DENTAL GROUP LIMITED

MEDIA RELEASE



polyclinics in Huludao Longgang District and Shenyang. In FY2019, the Group will continue to focus our efforts on improving the revenue of the hospitals and clinics, reduce gestation losses, maximise clinics' cost efficiency and increase dental chairs utilisation. The Group will remain focused on recruitment and training of undergraduate dentists, nurses and laboratory technicians to support the Group's long-term growth plan."

As at this date, the Group has 16 dental centres, comprising 6 dental hospitals and 10 polyclinics. The dental centres are located in seven (7) different cities in Liaoning Province, Northern PRC, namely, Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou and Dalian. The Group's dental equipment and supplies distribution network covers the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

For more information please contact:

Deputy CEO

Ryan San Yi Leong [Tel: (65) 6235 1188 | Email: ryan@aoxin.sg]

This media release has been prepared by AXQM 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 media release.

This media release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this media release, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this media release.

The contact person for the Sponsor is Mr Foo Siang Sheng (Telephone: 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.