



AOXIN Q & M narrowed losses by 65.7% on the back of a 23.7% increase in Revenue in 1H2023 compared to 1H2022

1H2023 Highlights:

- Net loss reduced by 65.7% to RMB1.2 million.
- EBITDA improved by 120.0% to RMB6.7 million.

Singapore, 14 August 2023 – Catalyst-listed **Aoxin Q & M Dental Group Limited** (the “**Company**”, together with its subsidiaries, the “**Group**”), a leading provider of private dental services and distribution of dental equipment and supplies in the Liaoning Province, Northern People’s Republic of China (“**PRC**”) together with its homegrown medical technology associate company, reported a lower loss for the six months ended 30 June 2023 (“**1H2023**”) of RMB1.2 million, as compared to a loss of RMB3.4 million for the six months ended 30 June 2022 (“**1H2022**”).

Financial Highlights

	1H2023	1H2022	Change	Change
	RMB'000	RMB'000	RMB'000	%
Revenue	80,575	65,118	15,457	23.7
EBITDA ¹ (Excluding share of profit from associate)	6,727	3,058	3,669	120.0
Loss for the period (Excluding share of profit from associate)	(3,203)	(6,529)	(3,326)	(50.9)
Share of profit from associate	2,049	3,164	(1,115)	(35.2)
Net loss for the period	(1,154)	(3,365)	(2,211)	(65.7)

The Group recorded revenue of RMB80.6 million for 1H2023 as compared to RMB65.1 million in 1H2022, representing an increase of RMB15.5 million or 23.7% year on year. The increase was mainly attributable to the recovery from Covid-19 for all business segments of the Group.

Revenue from primary healthcare segment, distribution of dental equipment and supplies segment and laboratory services segment increased by 21.2%, 23.9% and 39.7% respectively in 1H2023. Higher revenue from all segments were due to resumption to full operation at all our dental polyclinics and hospitals in 1H2023 and absence of factors such as resurgence of Covid-19 in the PRC from March to May 2022 that led to temporarily closures of some of our dental polyclinics and hospitals for more than one month in 1H2022.

¹ EBITDA: Earnings Before Interest Expenses, Tax, Depreciation and Amortisation excluding share of results of associate



The Group's EBITDA increased from RMB3.1 million in 1H2022 to RMB6.7 million in 1H2023. The increase was largely due to improvement in primary healthcare and laboratory services segment by RMB3.8 million and RMB0.1 million respectively 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 which was largely due to the decrease in profit margin and higher operating expenses incurred due to increased marketing and promotional efforts post covid-19.

Share of result of associate decreased from RMB3.2 million in 1H2022 to RMB2.0 million in 1H2023. The decrease was largely due to 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.

As at 30 June 2023, the Group's cash and cash equivalents stood at RMB34.2 million and bank loans and bill payables amounted to RMB3.6 million with net cash position of RMB30.6 million. In addition, the Group's bank gearing ratio improved to 1.1% as at 30 June 2023 from 1.4% as at 31 December 2022 due to repayment of bank loan.

Commenting on the Group's 1H2023 financial results, Dr. Shao Yongxin, Group Chief Executive Officer said,

"The Group is cautiously optimistic that business operations will continue to improve in the second half of 2023. The Group intends to capitalise on the effects of the implementation of China's centralised procurement policy for dental implants (种植集采政策) around April 2023, and work towards enhancing/ refining its operations/ service offerings with a view to achieve stable improvement in performance. The Group, on an on-going basis, explores potential business ventures and/or other corporate actions, with the aim of enhancing shareholders' value. As at the date of this announcement, no definitive agreements have been executed.

The Group's homegrown medical technology associate company, Acumen, continues 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 in the next 12 months."

This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 14 August 2023.

Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer

14 August 2023

AOXIN Q & M DENTAL GROUP LIMITED

MEDIA RELEASE



Financial Controller

Loo Keat Choon

Tel: (65) 6235 1188

Email: calvin@aoxin.sg

*This media release 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 document, including the correctness of any of the statements or opinions made or reports contained in this document*

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.