

**AOXIN Q & M narrowed losses by 44.7% on the back of a
49.7% improvement in EBITDA in 1H2022 compared to 1H2021**

1H2022 Highlights:

- Net loss reduced by 44.7% to RMB3.4 million.
- EBITDA improved by 49.7% to RMB6.2 million.
- Cash and cash equivalents increased by 47.9% to RMB36.0 million.
- Bank gearing ratio improved to 1.9% as at 30 June 2022 from 5.1% as at 31 December 2021.

Singapore, 13 August 2022 – 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 2022 (“1H2022”) of RMB3.4 million, as compared to a loss of RMB6.1 million for the six months ended 30 June 2021 (“1H2021”).

Financial Highlights

	1H2022	1H2021	Change	Change
	RMB'000	RMB'000	RMB'000	%
Revenue	65,118	82,270	(17,152)	(20.8)
EBITDA ¹	6,222	4,156	2,066	49.7
Loss for the period (Excluding share of profit from associate)	(6,529)	(6,090)	439	7.2
Share of profit from associate	3,164	-	3,164	N.M
Net loss for the period	(3,365)	(6,090)	(2,725)	(44.7)

N.M: not meaningful

The Group’s total revenue decreased by 20.8% to RMB65.1 million in 1H2022 from RMB82.3 million in 1H2021. The decrease was mainly due to the temporary closure resulting from the resurgence of Covid-19 from end of March to May 2022 which affected all business segments of the Group.

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



Revenue from primary healthcare segment decreased by 6.3%, from RMB44.6 million in 1H2021 to RMB41.8 million in 1H2022, whilst revenue from laboratory services segment decreased by 14.0% from RMB7.5 million to RMB6.4 million in 1H2022. Lower revenue for primary healthcare services and laboratory services were due to the temporary closure of some of our dental polyclinics and hospitals for more than one month from end March to early May 2022.

Revenue from distribution of dental equipment and supplies segment decreased by 43.9% from RMB30.2 million in 1H2021 to RMB16.9 million in 1H2022. In addition to closure of operation for more than one month, there was lower demand for dental equipment from government hospitals due to lesser government tender and supply of the dental equipment was also impacted by supply chain disruption.

The Group EBITDA increased from RMB4.2 million in 1H2021 to RMB6.2 million in 1H2022. The increase was mainly due to share of associate's profit of RMB3.2 million relating to Acumen Diagnostics which was acquired on 1 November 2021.

As of 30 June 2022, the Group's cash and cash equivalents stood at RMB36.0 million and bank loans and bill payables amounted to RMB7.1 million with net cash position of RMB28.9 million. In addition, the Group's gearing ratio improved to 1.9% as at 30 June 2022 from 5.1% as at 31 December 2021 due to early repayment of bank loan.

Commenting on the Group's 1H2022 financial results, Dr. Shao Yongxin, Group Chief Executive Officer said,

“The Group expects its performance for FY2022 to continue to be impacted by COVID-19 in the event there is a resurgence of COVID-19 virus in China. Barring any unforeseen circumstances and further worsening of the COVID-19 situation leading to ad-hoc lock down in cities where the Group operates, there are no known significant changes in the trends and competitive conditions of the industry in which the Group operates and no other major known factors or events that may adversely affect the Group in the next reporting period and the next 12 months. The Group will continue to focus on disciplined management of its operating expenses and capital expenditure.

Currently all our dental clinics and hospitals are in operations.

The Group's homegrown medical technology associate company, Acumen Diagnostics Pte Ltd, will continue to progressively roll out its pipeline of new 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.

Overall, the Group expects the business environment to remain challenging for the second half of 2022.”

AOXIN Q & M DENTAL GROUP LIMITED

MEDIA RELEASE



This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 13 August 2022.

Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer

13 August 2022

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*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*

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