



AOXIN Q & M DENTAL GROUP REPORTS 25% GROWTH IN REVENUE AND SET UP LARGEST PRIVATE DENTAL HOSPITAL IN PANJIN

Highlights

- **Revenue rose by 25% to RMB59.7 million in 1H2018 from RMB47.6 million in 1H2017**
- **Set up largest private dental hospital in Panjin**
- **Cash and bank balances of RMB66.2 million as at 30 June 2018**

Singapore, 14 August 2018 – 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, is pleased to announce profit net of tax from continuing operations attributable to shareholders (excluding one-off professional fees and expenses in relation to its listing) of RMB3.4 million, for the 6 months ended 30 June 2018 (“**1H2018**”), as compared to RMB6.5 million for 1H2017. The lower profit net of tax in 1H2018 was mainly due to initial start-up losses incurred in Panjin hospital and cost incurred on dentists training to support the Group’s long-term growth plan.

Revenue from primary healthcare grew by 18% to RMB38.3 million for 1H2018 as compared to RMB32.4 million for 1H2017. This was mainly due to substantial revenue growth from provision of paediatric dentistry and implantology services and revenue from laboratory services business. Revenue from laboratory services was attributed to Shenyang Qingamei Oral Restorative Technology Co., Ltd. (“**SYQM**”) which was acquired in October 2017.

On 20 May 2018, the Group announced the opening of its new dental hospital, Panjin Aoxin Q&M Stomatology Hospital Co., Ltd (the “**Hospital**”). The Hospital occupies a standalone building with floor area of more than 3,000 m² with 30 dental chairs and it is the first dental practice of this scale in Panjin, which allows the Group to further entrench its presence. On 30 May 2018, the Group announced the official opening of its new dental polyclinic, Shenyang Shenhe Aoxin Stomatology Polyclinic Co., Ltd (the “**Polyclinic**”). The Polyclinic is located in the city of Shenyang, Shenhe District, and occupies a unit on the 6th storey of Kaisa Commercial Centre. Kaisa Commercial Centre is a newly-built shopping mall situated along Youth Avenue, a well-known commercial street in Shenyang City. With a floor area of

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approximately 300m², the Polyclinic includes 6 dental chairs and provides comprehensive dental services for both adults and children.

On 7 July 2018, the Group's subsidiary Shenyang Aoxin Q&M Stomatology Hospital and its dentists, Dr Ma Shuyi and Dr Sun Hailong, won awards in a medical conference held at Jinzhou Medical University for the Clinical Specialist Centre for Prosthodontics, the Best Clinical Expert and the Young Clinical Dentist respectively. These awards were in recognition of the Group's technical competence and quality of service.

Commenting on the Group's 1H2018 financial results, Dr. Shao Yongxin, Group Chief Executive Officer said, "There is good demand for premium dental services in China. The Group intends to open 3 to 5 new dental centres for 2018, via organic expansion and acquisitions. The Group continues to explore opportunities to expand its business and presence in other cities and provinces in the Northern PRC".

As at 30 June 2018, the Group has 13 dental centres, comprising 5 dental hospitals and 8 polyclinics. The dental centres are located in five different cities in Liaoning Province, Northern PRC, namely, Shenyang, Huludao, Panjin, Gaizhou and Zhuanghe. The Group's dental equipment and supplies distribution network covers the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

The Group's cash and bank balances as at 30 June 2018 was RMB66.2 million compared to RMB95.3 million as at 31 December 2017, mainly due to the use of IPO proceeds for business expansions through organic growth and acquisitions. The Group does not have any borrowings as at 30 June 2018.

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.

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