AOXIN Q & M DENTAL GROUP LIMITED
(Company Registration Number: 201110784M)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE CATALIST RULES

The Board of Directors (the "**Board**" or the "**Directors**") of Aoxin Q & M Dental Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's unaudited full year financial statements for the financial year ended 31 December 2022 ("**FY2022**") dated 1 March 2023 (the "**Unaudited Financial Statements**") which were released via SGXNet.

Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning defined in the Unaudited Financial Statements.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify certain material variances to the Unaudited Financial Statements following the finalisation of the audit and issuance of the auditor's report dated 8 April 2023 by the Company's external auditor, Messrs RSM Chio Lim LLP (the "**Independent Auditor Report**", and the related audited financial statements for FY2022 are referred to herein as the "**Audited Financial Statements**"). The details and explanations of the material variances are set out in Appendix A as annexed hereto.

The Independent Auditor Report and Audited Financial Statements can also be found in the Company's annual report for FY2022 ("**FY2022 Annual Report**"), which will be released separately via the SGXNet on or around 11 April 2023. Shareholders of the Company (the "**Shareholders**") are advised to read this announcement in conjunction with the FY2022 Annual Report.

The Board confirms that to the best of its knowledge, all material disclosure, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By Order of the Board

Aoxin Q & M Dental Group Limited
Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer
8 April 2023

For more information, please contact:
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*This announcement 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

Appendix A

Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2022

	Unaudited RMB'000	Audited RMB'000	Variance RMB'000	Variance %	Note
Revenue	139,721	139,721	–	–	
Interest income	100	100	–	–	
Other income and gains	2,656	2,656	–	–	
Expenses					
Consumables and dental supplies	(12,037)	(12,037)	–	–	
Cost of sales in dental equipment and supplies	(32,517)	(32,517)	–	–	
Cost of laboratory services	(3,605)	(3,605)	–	–	
Employee benefits expenses	(69,802)	(69,802)	–	–	
Depreciation and amortisation expenses	(11,055)	(11,055)	–	–	
Depreciation of right-of-use assets	(6,929)	(6,929)	–	–	
Rental expenses	(1,226)	(1,226)	–	–	
Finance costs	(2,439)	(2,439)	–	–	
Impairment allowance on trade and other Receivables	(52)	(52)	–	–	
Impairment loss on investment in an associate	(47,762)	(60,175)	(12,413)	(26.0)	1
Other expenses	(15,526)	(15,526)	–	–	
Other losses	(1,797)	(1,797)	–	–	
Share of results of associate	1,927	1,720	(207)	(10.7)	2
Loss before tax	(60,343)	(72,963)	(12,620)	(20.9)	1 & 2
Income tax credit	5,288	5,288	–	–	
Loss, net of tax	(55,055)	(67,675)	(12,620)	(22.9)	1 & 2
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation to presentation currency	11,951	11,278	(673)	(5.6)	1
Total comprehensive loss	(43,104)	(56,397)	(13,293)	(30.8)	1 & 2
Loss, net of tax attributable to:					
Owners of the Company	(55,053)	(67,673)	(12,620)	(22.9)	1
Non-controlling interests	(2)	(2)	–	–	
	(55,055)	(67,675)	(12,620)	(22.9)	1 & 2
Total comprehensive loss attributable to:					
Owners of the Company	(43,102)	(56,395)	(13,293)	(30.8)	1
Non-controlling interests	(2)	(2)	–	–	
	(43,104)	(56,397)	(13,293)	(30.8)	1 & 2

Note 1:
The Group has previously recognised an impairment loss on its investment in an associate based on management's best estimate of the recoverable amount using discounted cash flow method. The variance was due to a lower valuation (recoverable amount) assessed by external professional valuer engaged by the Group upon completion of the valuation exercise as compared to management's best estimate.

Note 2:
The variance was largely due to impairment of obsolete inventories held by an associate at the end of the reporting year.

Note 3:
The variance was due to rounding adjustment.

Consolidated Statements of Financial Position of the Group as at 31 December 2022

	Unaudited RMB'000	Audited RMB'000	Variance RMB'000	Variance %	Note
ASSETS					
Non-current assets					
Property, plant and equipment	41,972	41,972	–	–	
Right-of-use assets	32,755	32,755	–	–	
Goodwill	125,219	125,219	–	–	
Intangible assets	3,896	3,896	–	–	
Investment in an associate	88,125	74,832	(13,293)	(15.1)	1 & 2
Deferred tax assets	5,050	5,050	–	–	
Other receivables, non-current	–	–	–	–	
Other non-financial assets, non-current	134	134	–	–	
Total non-current assets	297,151	283,858	(13,293)	(4.5)	1 & 2
Current assets					
Inventories	11,113	11,113	–	–	
Trade and other receivables, current	33,856	33,856	–	–	
Other non-financial assets, current	1,605	1,605	–	–	
Cash and cash equivalents	39,429	39,429	–	–	
Total current assets	86,003	86,003	–	–	
Total assets	383,154	369,861	(13,293)	(3.5)	1 & 2
EQUITY AND LIABILITIES					
Equity					
Share capital	445,473	445,473	–	–	
Accumulated losses	(80,042)	(92,662)	(12,620)	(15.8)	1 & 2
Other reserves	(41,612)	(42,285)	(673)	(1.6)	1 & 2
Equity attributable to owners of the Company	323,819	310,526	(13,293)	(4.1)	1 & 2
Non-controlling interests	–	–	–	–	
Total equity	323,819	310,526	(13,293)	(4.1)	1 & 2
Non-current liabilities					
Deferred tax liabilities	722	722	–	–	
Lease liabilities, non-current	22,630	22,630	–	–	
Other financial liabilities, non-current	979	979	–	–	
Total non-current liabilities	24,331	24,331	–	–	
Current liabilities					
Income tax payable	199	199	–	–	
Trade and other payables, current	23,146	23,146	–	–	
Lease liabilities, current	8,420	8,420	–	–	
Other financial liabilities, current	3,239	3,239	–	–	
Total current liabilities	35,004	35,004	–	–	
Total liabilities	59,335	59,335	–	–	
Total equity and liabilities	383,154	369,861	(13,293)	(3.5)	1 & 2

Statements of Financial Position of the Company as at 31 December 2022

	Unaudited RMB'000	Audited RMB'000	Variance RMB'000	Variance %	Note
ASSETS					
Non-current assets					
Property, plant and equipment	21	21	–	–	
Right-of-use assets	821	821	–	–	
Intangible assets	179	179	–	–	
Investments in subsidiaries	298,380	298,380	–	–	
Investment in an associate	88,125	74,832	(13,293)	(15.1)	1 & 2
Other receivables, non-current	6,166	6,166	–	–	
Other non-financial assets, non-current	134	134	–	–	
Total non-current assets	393,826	380,533	(13,293)	(3.4)	1 & 2
Current assets					
Trade and other receivables, current	10,923	10,923	–	–	
Other non-financial assets, current	160	160	–	–	
Cash and cash equivalents	20,401	20,401	–	–	
Total current assets	31,484	31,484	–	–	
Total assets	425,310	412,017	(13,293)	(3.1)	1 & 2
EQUITY AND LIABILITIES					
Equity					
Share capital	445,473	445,473	–	–	
Accumulated losses	(63,566)	(76,184)	(12,618)	(19.9)	1 & 2
Other reserves	37,479	36,804	(675)	(1.8)	1 & 2
Total equity	419,386	406,093	(13,293)	(3.2)	1 & 2
Non-current liabilities					
Lease liabilities, non-current	742	742	–	–	
Other financial liabilities, non-current	979	979	–	–	
Total non-current liabilities	1,721	1,721	–	–	
Current liabilities					
Trade and other payables, current	3,359	3,359	–	–	
Lease liabilities, current	205	205	–	–	
Other financial liabilities, current	639	639	–	–	
Total current liabilities	4,203	4,203	–	–	
Total liabilities	5,924	5,924	–	–	
Total equity and liabilities	425,310	412,017	(13,293)	(3.1)	1 & 2

Consolidated Statements of Cash Flows of the Group for the Financial Year Ended 31 December 2022

	Unaudited RMB'000	Audited RMB'000	Variance RMB'000	Variance %	Note
Cash flows from operating activities					
Loss before income tax	(60,343)	(72,963)	(12,620)	(20.9)	1 & 2
Depreciation of plant and equipment	10,080	10,080	–	–	
Depreciation of right-of-use assets	6,929	6,929	–	–	
Amortisation of intangible assets	975	975	–	–	
De-recognition of right-of-use assets	(85)	(85)	–	–	
Plant and equipment written-off	55	55	–	–	
Interest expense	2,439	2,439	–	–	
Share-based payments	767	767	–	–	
Impairment of investment in an associate	47,762	60,175	12,413	26.0	1
Share of results of an associate	(1,927)	(1,720)	207	10.7	2
Unrealised foreign exchange gains	2,883	2,884	1	–	3
Operating cash flows before changes in working capital	9,535	9,536	1	–	3
Inventories	483	482	(1)	–	3
Trade and other receivables	4,344	4,344	–	–	
Other non-financial assets	(61)	(62)	(1)	–	3
Trade and other payables	1,789	1,789	–	–	
Net cash flows from operations	16,090	16,089	(1)	–	3
Income taxes paid	(117)	(117)	–	–	
Net cash flows from operating activities	15,973	15,972	(1)	–	3
Cash flows from/(used in) investing activities					
Acquisition of intangible assets	(71)	(71)	–	–	
Acquisition of plant and equipment	(3,953)	(3,953)	–	–	
Dividend received from an associate	23,084	23,085	1	–	3
Net cash flows generated from/(used in) investing activities	19,060	19,061	1	–	3
Cash flows used in financing activities					
Proceeds from bank loans and bill payable	3,334	3,334	–	–	
Repayments of bank loans and bill payable	(18,263)	(18,263)	–	–	
Repayment of principal portion of lease liabilities	(5,578)	(5,578)	–	–	
Repayment of interest portion of lease liabilities	(2,070)	(2,070)	–	–	
Interest expense paid	(369)	(369)	–	–	
Issuance of new shares	2,270	2,270	–	–	
Net cash flows used in financing activities	(20,676)	(20,676)	–	–	
Net increase in cash and cash equivalents	14,357	14,357	–	–	
Cash and cash equivalents, beginning balance	24,370	24,370	–	–	
Effect of foreign exchange rate changes on cash and cash equivalents	702	702	–	–	
Cash and cash equivalents, ending balance	39,429	39,429	–	–	