



**AOXIN Q & M reported EBITDA of RMB5.8 million for 3Q2022 and
RMB8.9 million for 9M2022**

9M2022 Highlights:

- EBITDA amounted to RMB5.8 million for 3Q2022 and RMB8.9million for 9M2022.
- Cash and cash equivalents increased by 64.7% to RMB40.1 million as at 30 September 2022.
- Net cash¹ increased to RMB34.8 million as at 30 September 2022 compared to RMB5.7 million as at 31 December 2021.

Singapore, 12 November 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 net loss RMB4.5 million for the nine months ended 30 September 2022 (“**9M2022**”) and net loss of RMB1.1 million for the third quarter ended 30 September 2022 (“**3Q2022**”).

Financial Highlights

Group	Third Quarter			Nine Months		
	3Q2022	3Q2021	Change	9M2022	9M2021	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	41,964	41,008	2.3	107,091	123,278	(13.1)
EBITDA ²	5,797	7,904	(26.7)	8,855	12,060	(26.6)
(Loss)/profit for the period (Excluding share of profit/(loss) from associate)	613	2,290	(73.2)	(5,916)	(3,800)	55.7
Share of profit/(loss) from associate	(1,710)	-	NM ³	1,454	-	NM ³
Net profit/(loss) for the period	(1,097)	2,290	NM ³	(4,462)	(3,800)	17.4

¹ Net cash: Cash and Cash Equivalents Less Bank Borrowings

² EBITDA: Earnings Before Interest Expenses, Tax, Depreciation and Amortisation (Excluding share of profit/(loss) from associate)

³ NM: Not meaningful



The Group reported lower revenue of RMB107.1 million in 9M2022, a decrease of RMB16.2 million or 13.1% largely due to the resurgence of Covid-19 from March 2022 to May 2022 which affected all business segments of the Group. Excluding share of profit from associate amounting to RMB1.5 million, the Group's net loss increased RMB2.1 million to RMB6.0 million in 9M2022. The increase was largely attributable to (i) lower revenue, (ii) higher staff costs due to increase of social insurance contributions caused by a change of government regulation resulting in an increase of the contribution rate, and (iii) higher unrealised foreign exchange loss arising from the translation of Singapore Dollars denominated balances to Renminbi.

Financial Highlights

Group	1Q2022	2Q2022	3Q2022
	RMB'000	RMB'000	RMB'000
Revenue	34,280	30,847	41,964
EBITDA ¹	3,685	(627)	5,797
(Loss)/profit for the period (Excluding share of profit/(loss) from associate)	(1,485)	(5,044)	613
Share of profit/(loss) from associate	4,289	(1,125)	(1,710)
Net profit/(loss) for the period	2,804	(6,169)	(1,097)

The Group reported a higher revenue in 3Q2022 as compared to 1Q2022 and 2Q2022. 3Q2022 reported the highest EBITDA among the three quarters of RMB5.8 million and profit of RMB0.6 million as compared to loss in previous quarters. Due to changes in government policy on PCR test and the shift to antigen rapid test as a result of moving from pandemic to endemic stage in classification of Covid-19 which resulted in a higher share of loss from associate amounting to RMB1.7 million, the Group reported net loss of RMB1.1 million in 3Q2022.

The Group's cash and cash equivalents increased by 64.7% to RMB40.1 million as at 30 September 2022 and total borrowing decreased by RMB13.3 million to RMB5.4 million as at 30 September 2022. Bank gearing ratio as at 30 September 2022 and 31 December 2021 were 1.4% and 5.1% respectively.

¹ EBITDA: Earnings Before Interest Expenses, Tax, Depreciation and Amortisation (Excluding share of profit/(loss) from associate)

AOXIN Q & M DENTAL GROUP LIMITED

MEDIA RELEASE



Commenting on the Group's 9M2022 financial results, Dr. Shao Yongxin, Executive Director and Group Chief Executive Officer said,

"The Chinese government has continued to persevere with its "dynamic-clearing" approach to Covid-19 cases as soon as they emerge. This has resulted in lockdowns of various cities in China over the past few months, and has also led to the temporary closures of some of our dental polyclinics and hospitals, especially in the month of October.

As of 12 November 2022, all of our dental hospitals and polyclinics are in operations, except for 2 dental polyclinics which remain closed since late October. The ad-hoc temporary closures of our hospitals and clinics may continue to impact our business. The Group will manage the Covid-19 situation and be disciplined in managing our operating and capital expenditures.

Overall, the Group expects the business environment to remain challenging for the 4th quarter of 2022."

Dr Ong Siew Hwa, Chief Executive Officer & Chief Scientist of Acumen and Executive Director of Aoxin Q & M added,

"The Group's homegrown medical technology associate company, Acumen Diagnostics Pte Ltd ("Acumen"), 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.

In addition, Acumen was recently awarded the tender for the operation of a Joint Testing and Vaccination Centre by the Singapore Ministry of Health. The award is for a period of 15 months and is expected to contribute at least S\$3.6 million to Acumen's revenue during the contract period."

This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 12 November 2022.

Dr. Shao Yongxin
Executive Director and Group Chief Executive Officer

12 November 2022

Financial Controller

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