



**AOXIN Q & M reported 68.3% increase in Revenue in 1H2021 and Net Loss for 2Q2021 reduced by 69.3% as compared to 1Q2021**

**Highlights:**

- Revenue for 1H2021 rose by 68.3% to RMB82.3 million from RMB48.9 million in 1H2020 despite the continued challenging environment in existing COVID-19 pandemic.
- Net loss for 2Q2021 reduced by 69.3% to RMB1.4 million from RMB4.7 million in 1Q2021
- EBITDA improved from a loss of RMB0.2 million in 1H2020 to earnings of RMB4.2 million in 1H2021.

**Singapore, 13 August 2021** – 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”), announced substantial reduction in loss attributable to owners of the Company for the six months ended 30 June 2021 (“1H2021”) of RMB6.1 million, as compared to loss attributable to owners of the Company of RMB10.5 million for the six months ended 30 June 2020 (“1H2020”).

**Financial Highlights**

	1H2021	1H2020	Change
	RMB'000	RMB'000	%
Revenue	82,270	48,896	68.3%
EBITDA <sup>1</sup>	4,156	(181)	N.M
Net loss for the period	(6,090)	(10,454)	-41.7%

N.M: not meaningful

The Group’s operations for 1H2021 have shown significant improvement in revenue and profitability despite the challenges brought by the COVID-19 pandemic. The Group’s total revenue rose by 68.3% to RMB82.3 million for 1H2021 from RMB48.9 million in 1H2020. Our primary healthcare segment has proven to be resilient. It achieved higher revenue despite the resurgence of COVID-19 virus in Dalian and Shenyang Provinces where 6 of our dental polyclinics and hospitals were temporarily suspended for more than one month in January and February 2021. Overall, the Group’s current period revenue showed steady and sustainable recovery from the COVID-19 pandemic and is on track to pre COVID-19 level.

<sup>1</sup> EBITDA: Earnings/(Loss) Before Interest Expenses, Tax, Depreciation and Amortisation

The Group's EBITDA significantly improved from a loss of RMB0.2 million in 1H2020 to earnings of RMB4.2 million in 1H2021. The significant improvement in EBITDA was mainly attributable to higher revenue growth rates and improved performances from key dental hospitals and polyclinics.

	2Q2021	1Q2021	Change
	RMB'000	RMB'000	%
Revenue	46,512	35,758	30.1%
Net loss for the period	(1,429)	(4,661)	-69.3%

Revenue for second quarter ended 30 June 2021 ("**2Q2021**") increased by 30.1% to RMB46.5 million from RMB35.8 million in first quarter ended 31 March 2021 ("**1Q2021**"). Net loss for the 2Q2021 was substantially reduced by 69.3% to RMB1.4 million from RMB4.7 million in 1Q2021.

As of 30 June 2021, the Group has cash and cash equivalents of RMB29.9 million and bank borrowings and bill payables of RMB21.8 million which results in the net cash position of RMB8.1 million.

### Business Updates

On 25 June 2021, the Group's wholly-owned subsidiary, Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd. ("**Panjin Hospital**") entered into a 5-year cooperation agreement with Panjin Oilfield Gem Flower Hospital ("**Gem Flower Hospital**") whereby specialist dentists from Gem Flower Hospital will provide specialist dentists to perform dental treatment services and introduce customers to Panjin Hospital. Profits generated through this cooperation shall be shared 50:50 between the 2 hospitals after the deduction of associated costs. This cooperation will enable the Group to achieve greater market share and accelerated patient growth.

Commenting on the Group's 1H2021 financial results, Dr Shao Yongxin, Group Chief Executive Officer said,

**"We achieved a strong set of results for 1H2021. Despite the challenging market conditions, our business remained resilient with 68.3% increase in revenue for 1H2021 and loss after tax attributable to owners of the Company reduced by 41.7% from RMB10.5 million in 1H2020 to RMB6.1 million in 1H2021.**

**The ongoing COVID-19 pandemic is expected to continue to steer global economic growth prospects in the coming quarters of 2021, as many countries still struggle to contain the rapid spread of the virus caused by new waves of infections. The Group expects its performance for FY2021 to continue to be impacted by COVID-19 if there is a resurgence of COVID-19 virus in China. The Group will continue to focus on disciplined management of its operations and capital expenditures. The Group aims to deliver a satisfactory performance in 2021 amidst a recovering economy in China as more people are getting vaccinated."**

## AOXIN Q & M DENTAL GROUP LIMITED

### MEDIA RELEASE



As of 30 June 2021, the Group has 16 dental centres, comprising 6 dental hospitals and 10 dental polyclinics. The dental centres are located in eight different cities in Liaoning Province, Northern PRC, namely, Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian and Anshan. The Group's dental equipment and supplies distribution network covers the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 13 August 2021.

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*This media release has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This media release has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

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