



## **Aoxin Q & M Dental Group Limited**

### Condensed Interim Financial Statements For the Six Months and Full Year Ended 31 December 2022

---

This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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](mailto:sponsorship@ppcf.com.sg).

<b>Content</b>	<b>Page</b>
<b>Condensed interim consolidated statements of profit or loss and other comprehensive income</b>	<b>1</b>
<b>Condensed interim statements of financial position</b>	<b>3</b>
<b>Condensed interim statements of changes in equity</b>	<b>4</b>
<b>Condensed interim consolidated statements of cash flows</b>	<b>6</b>
<b>Notes to the condensed interim consolidated financial statements</b>	<b>7</b>
<b>Other information required by Catalist Rule Appendix 7C</b>	<b>18</b>

## Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

	<u>Notes</u>	<u>2H2022</u> RMB'000	<u>Group</u> <u>2H2021</u> RMB'000	<u>Change</u> %	<u>FY2022</u> RMB'000	<u>Group</u> <u>FY2021</u> RMB'000	<u>Change</u> %
Primary healthcare		45,250	49,319	(8.3)	87,020	93,918	(7.3)
Distribution of dental equipment and supplies		22,334	20,155	10.8	39,272	50,374	(22.0)
Laboratory services		7,019	8,436	(16.8)	13,429	15,888	(15.5)
<b>Revenue</b>	4	74,603	77,910	(4.2)	139,721	160,180	(12.8)
Interest income		55	47	17.0	100	95	5.3
Other income and gains	5	1,671	2,268	(26.3)	2,656	2,896	(8.3)
<b>Expenses</b>							
Consumables and dental supplies		(6,857)	(7,007)	(2.1)	(12,037)	(13,594)	(11.5)
Cost of sales in dental equipment and supplies		(18,261)	(16,703)	9.3	(32,517)	(42,184)	(22.9)
Cost of laboratory services		(2,110)	(1,530)	37.9	(3,605)	(3,573)	0.9
Employee benefits expenses		(35,880)	(36,490)	(1.7)	(69,802)	(70,050)	(0.4)
Depreciation and amortisation expenses		(5,633)	(5,434)	3.7	(11,055)	(10,605)	4.2
Depreciation of right-of-use assets		(3,485)	(3,526)	(1.2)	(6,929)	(7,053)	(1.8)
Rental expenses		(567)	(523)	8.4	(1,226)	(986)	24.3
Finance costs	6	(1,169)	(1,496)	(21.9)	(2,439)	(3,121)	(21.9)
Reversal/(allowance) for impairment on trade receivables		51	(188)	NM	(52)	(188)	(72.3)
Impairment loss on investment in associate	11	(47,762)	–	NM	(47,762)	–	NM
Other expenses		(8,539)	(9,213)	(7.3)	(15,526)	(19,763)	(21.4)
Other losses	5	(1,309)	(55)	NM	(1,797)	(161)	NM
Share of results of associate		(1,237)	1,273	NM	1,927	1,273	51.4
<b>Loss before tax</b>		(56,429)	(667)	NM	(60,343)	(6,834)	NM
Income tax credit/(expenses)	7	4,739	(569)	NM	5,288	(492)	NM
<b>Loss, net of tax</b>		(51,690)	(1,236)	NM	(55,055)	(7,326)	NM
<b><u>Other comprehensive profit/(loss)</u></b>							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation to presentation currency		8,434	(1,156)	NM	11,951	(1,400)	NM
<b>Total comprehensive profit/(loss)</b>		<u>(43,256)</u>	<u>(2,392)</u>	NM	<u>(43,104)</u>	<u>(8,726)</u>	NM
<b>Loss, net of tax attributable to:</b>							
Owners of the Company		(51,689)	(1,236)	NM	(55,053)	(7,326)	NM
Non-controlling interests		(1)	–	NM	(2)	–	NM
		<u>(51,690)</u>	<u>(1,236)</u>	NM	<u>(55,055)</u>	<u>(7,326)</u>	NM
<b>Loss, net of tax excluded impairment loss on investment in associate</b>							
Owners of the Company		(3,927)	(1,236)	NM	(7,291)	(7,326)	(0.5)
Non-controlling interests		(1)	–	NM	(2)	–	NM
		<u>(3,928)</u>	<u>(1,236)</u>	NM	<u>(7,293)</u>	<u>(7,326)</u>	(0.5)
<b>Total comprehensive profit/(loss) attributable to:</b>							
Owners of the Company		(43,255)	(2,392)	NM	(43,102)	(8,726)	NM
Non-controlling interests		(1)	–	NM	(2)	–	NM
		<u>(43,256)</u>	<u>(2,392)</u>	NM	<u>(43,104)</u>	<u>(8,726)</u>	NM

**Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income  
(cont'd)**

		<u>2H2022</u>	<u>2H2021</u>	<u>Change</u>	<u>FY2022</u>	<u>FY2021</u>	<u>Change</u>
		RMB Cents	RMB Cents	%	RMB Cents	RMB Cents	%
<b>Loss per share</b>							
– Basic	8	(10.12)	(0.31)	NM	(10.78)	(1.82)	NM
– Diluted	8	(10.12)	(0.31)	NM	(10.78)	(1.81)	NM

NM: Not meaningful.

## Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		FY2022 RMB'000	FY2021 RMB'000	FY2022 RMB'000	FY2021 RMB'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Deferred tax asset	7	5,050	–	–	–
Property, plant and equipment	9	41,972	48,154	21	22
Right-of-use assets		32,755	37,994	821	940
Goodwill	10	125,219	125,219	–	–
Intangible assets		3,896	4,779	179	205
Investments in subsidiaries		–	–	298,380	273,569
Investment in an associate	11	88,125	125,064	88,125	146,904
Other receivables, non-current		–	239	6,166	7,538
Other non-financial assets, non-current		134	191	134	177
<b>Total non-current assets</b>		<b>297,151</b>	<b>341,640</b>	<b>393,826</b>	<b>429,355</b>
<b><u>Current assets</u></b>					
Inventories		11,113	11,595	–	–
Trade and other receivables, current		33,856	61,043	10,923	30,148
Other non-financial assets, current		1,605	1,482	160	147
Cash and cash equivalents		39,429	24,370	20,401	6,938
<b>Total current assets</b>		<b>86,003</b>	<b>98,490</b>	<b>31,484</b>	<b>37,233</b>
<b>Total assets</b>		<b>383,154</b>	<b>440,130</b>	<b>425,310</b>	<b>466,588</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	12	445,473	443,203	445,473	443,203
(Accumulated losses) / retained earnings		(80,042)	(24,761)	(63,566)	7,947
(Adverse balance) / other reserves		(41,612)	(54,558)	37,479	(615)
<b>Equity attributable to owners of the Company</b>		<b>323,819</b>	<b>363,884</b>	<b>419,386</b>	<b>450,535</b>
Non-controlling interests		–	2	–	–
<b>Total equity</b>		<b>323,819</b>	<b>363,886</b>	<b>419,386</b>	<b>450,535</b>
<b><u>Non-current liabilities</u></b>					
Deferred tax liabilities		722	926	–	–
Lease liabilities, non-current		22,630	28,447	742	835
Other financial liabilities, non-current	13	979	8,982	979	8,982
<b>Total non-current liabilities</b>		<b>24,331</b>	<b>38,355</b>	<b>1,721</b>	<b>9,817</b>
<b><u>Current liabilities</u></b>					
Income tax payable		199	341	–	–
Trade and other payables		23,146	21,357	3,359	2,573
Lease liabilities, current		8,420	6,549	205	209
Other financial liabilities, current	13	3,239	9,642	639	3,454
<b>Total current liabilities</b>		<b>35,004</b>	<b>37,889</b>	<b>4,203</b>	<b>6,236</b>
<b>Total liabilities</b>		<b>59,335</b>	<b>76,244</b>	<b>5,924</b>	<b>16,053</b>
<b>Total equity and liabilities</b>		<b>383,154</b>	<b>440,130</b>	<b>425,310</b>	<b>466,588</b>

## Aoxin Q & M Dental Group Limited

### Condensed Interim Statements of Changes in Equity

<b>Group</b>	Total equity RMB'000	Attributable to owners of the Company RMB'000	Share capital RMB'000	Accumulated Losses RMB'000	Other reserve RMB'000	Statutory reserve RMB'000	Share- Based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Non- controlling interest RMB'000
<b>Current year</b>									
Opening balance at 1 January 2022	363,886	363,884	443,203	(24,761)	(71,920)	8,535	6,515	2,312	2
Total comprehensive loss for the year	(43,104)	(43,102)	–	(55,053)	–	–	–	11,951	(2)
Transfer to statutory reserve	–	–	–	(228)	–	228	–	–	–
Share-based payments	767	767	–	–	–	–	767	–	–
Issuance of new shares	2,270	2,270	2,270	–	–	–	–	–	–
Closing balance at 31 December 2022	<u>323,819</u>	<u>323,819</u>	<u>445,473</u>	<u>(80,042)</u>	<u>(71,920)</u>	<u>8,763</u>	<u>7,282</u>	<u>14,263</u>	<u>–</u>
<b>Previous year</b>									
Opening balance at 1 January 2021	223,345	223,343	295,356	(16,832)	(71,920)	7,932	5,095	3,712	2
Total comprehensive loss for the year	(8,726)	(8,726)	–	(7,326)	–	–	–	(1,400)	–
Transfer to statutory reserve	–	–	–	(603)	–	603	–	–	–
Share-based payments	1,420	1,420	–	–	–	–	1,420	–	–
New shares issued for acquisition of associate	147,847	147,847	147,847	–	–	–	–	–	–
Closing balance at 31 December 2021	<u>363,886</u>	<u>363,884</u>	<u>443,203</u>	<u>(24,761)</u>	<u>(71,920)</u>	<u>8,535</u>	<u>6,515</u>	<u>2,312</u>	<u>2</u>

## Condensed Interim Statements of Changes in Equity (cont'd)

<b>Company</b>	Total equity RMB'000	Share capital RMB'000	(Accumulated losses)/ retained earnings RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000
<b>Current year</b>					
Opening balance at 1 January 2022	450,535	443,203	7,947	6,515	(7,130)
Total comprehensive income/ (loss) for the year	(34,186)	–	(71,513)	–	37,327
Share-based payments	767	–	–	767	–
Issuance of new shares	2,270	2,270	–	–	–
Closing balance at 31 December 2022	<u>419,386</u>	<u>445,473</u>	<u>(63,566)</u>	<u>7,282</u>	<u>30,197</u>
<b>Previous year</b>					
Opening balance at 1 January 2021	296,424	295,356	(11,819)	5,095	7,792
Total comprehensive income/ (loss) for the year	4,844	–	19,766	–	(14,922)
Share-based payments	1,420	–	–	1,420	–
New shares issued for acquisition of associate	147,847	147,847	–	–	–
Closing balance at 31 December 2021	<u>450,535</u>	<u>443,203</u>	<u>7,947</u>	<u>6,515</u>	<u>(7,130)</u>

## Condensed Interim Consolidated Statements of Cash Flows

	<b>Group</b>			
	<b><u>2H2022</u></b>	<b><u>2H2021</u></b>	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b><u>Cash flows from operating activities</u></b>				
Loss before tax	(56,429)	(667)	(60,343)	(6,834)
Depreciation of plant and equipment	5,147	4,973	10,080	9,693
Amortisation of intangible assets	486	461	975	912
Depreciation of right-of-use assets	3,485	3,526	6,929	7,053
Plant and equipment written-off	55	55	55	58
Derecognition of right-of-use assets	(39)	–	(85)	–
Unrealised foreign exchange gains	2,206	(537)	2,883	(741)
Interest expense	1,169	1,496	2,439	3,121
Share-based payments	146	784	767	1,420
Impairment on investment in associate	47,762	–	47,762	–
Share of results of associate	1,237	(1,273)	(1,927)	(1,273)
Operating cash flows before changes in working capital	5,225	8,818	9,535	13,409
Inventories	(249)	(856)	483	(677)
Trade and other receivables	6,295	330	4,344	(9,946)
Other non-financial assets	1,463	105	(61)	529
Trade and other payables	279	(1,555)	1,789	(1,333)
Net cash flows from operations	13,013	6,842	16,090	1,982
Income taxes paid	(284)	(405)	(117)	(884)
Net cash flows from operating activities	12,729	6,437	15,973	1,098
<b><u>Cash flows (used in)/generated from investing activities</u></b>				
Acquisition of plant and equipment	(3,230)	(2,252)	(3,953)	(6,374)
Acquisition of intangible assets - software	(71)	(336)	(71)	(383)
Increase in staff loans	–	(238)	–	(234)
Dividend received from an associate	–	–	23,084	–
Net cash flows (used in)/generated from investing activities	(3,301)	(2,826)	19,060	(6,991)
<b><u>Cash flows used in financing activities</u></b>				
Proceeds from bank loans and bill payable	2,601	9,741	3,334	18,698
Repayments of bank loans and bill payable	(5,858)	(12,729)	(18,263)	(17,099)
Interest expense paid	(122)	(427)	(369)	(714)
Payment of principal portion of lease liabilities	(2,143)	(4,199)	(5,578)	(5,349)
Payment of interest portion of lease liabilities	(1,047)	(1,218)	(2,070)	(2,407)
Issuance of new shares	–	–	2,270	–
Net cash flows used in financing activities	(6,569)	(8,832)	(20,676)	(6,871)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,859</b>	<b>(5,221)</b>	<b>14,357</b>	<b>(12,764)</b>
Cash and cash equivalents, beginning balance	36,035	29,895	24,370	37,912
Effect of foreign exchange rate changes on cash and cash equivalents	535	(304)	702	(778)
<b>Cash and cash equivalents, ending balance</b>	<b>39,429</b>	<b>24,370</b>	<b>39,429</b>	<b>24,370</b>



## Notes to the Condensed Interim Consolidated Financial Statements For The Financial Year Ended 31 December 2022

### 1. General

Aoxin Q & M Dental Group Limited (the “**Company**”) is incorporated in Singapore with limited liability. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The financial statements are presented in Chinese Renminbi (“**RMB**”) which is the Company’s functional currency and they cover the Company and its subsidiaries (collectively, the “**Group**”). All balances in the financial statements are rounded to the nearest thousand except when otherwise indicated.

The board of directors approved and authorised these condensed interim financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 3 on financial information by operating segments.

The latest audited annual financial statements for the reporting year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

#### COVID-19 related disclosures

The COVID-19 pandemic and its aftermath have caused and impacted FY2022, but with the abolition of zero-Covid policy, the management has a reasonable expectation that COVID-19 will not materially impact the Group in 2023 and onwards. In addition, the Group has adequate resources to continue in operational existence for the foreseeable future.

#### Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the provisions of the SGX Catalist Rules. The Company’s separate financial statements have been prepared on the same basis, and as permitted by SGX Catalist Rules, the Company’s separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those of the latest audited annual financial statements for the reporting year ended 31 December 2021. The Group has adopted all the new and revised SFRS (I) that are relevant to its operations and effective for the current financial year. The adoption of these new/revised SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the financial results or position of the Group and the Company. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position the Group since the last interim financial statements for the period ended 30 June 2022.

## 1. General (cont'd)

### Critical judgements, assumptions and estimation uncertainties

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest audited annual financial statements for the reporting year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- Assessment of impairment of goodwill
- Assessment of carrying amounts of property, plant and equipment and right-of-use assets
- Estimation of useful lives of property, plant and equipment
- Assessment of impairment of subsidiaries
- Assessment of impairment of associate
- Assessment of write-down of inventories
- Assessment of impairment allowance for trade receivables

## 2. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 3. Financial information by operating segments

### 3A. Information about reportable segment profit or loss, assets and liabilities

The segments and the types of products and services are as follows:

- (i) Primary healthcare comprising dentistry services.
- (ii) Distribution of dental equipment and supplies, which includes, amongst others, the distribution of equipment and supplies used in the provision of dental services.
- (iii) Laboratory services comprising the manufacturing of porcelain crown, bridges and dentures.

## Aoxin Q & M Dental Group Limited

### 3B. Profit or loss for the year and reconciliations

	<u>Primary healthcare</u>		<u>Distribution of dental equipment and supplies</u>		<u>Laboratory services</u>		<u>Consolidated</u>	
	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000
Revenue from external customers (Note 4)	87,020	93,918	39,272	50,374	13,429	15,888	139,721	160,180
Inter-segment revenue	21,563	19,816	7,799	10,251	15,310	6,980	44,672	37,047
<b>Total Revenue</b>	<b>108,583</b>	<b>113,734</b>	<b>47,071</b>	<b>60,625</b>	<b>28,739</b>	<b>22,868</b>	<b>184,393</b>	<b>197,227</b>
Segment results includes share of result of associate (EBITDA)	3,746	9,023	169	172	(43,835)	4,750	(39,920)	13,945
Finance costs							(2,439)	(3,121)
Depreciation of plant and equipment							(10,080)	(9,693)
Depreciation of right-of-use assets							(6,929)	(7,053)
Amortisation of intangible assets							(975)	(912)
Loss before tax							(60,343)	(6,834)
Income tax (credit)/expense							5,288	(492)
<b>Loss, net of tax</b>							<b>(55,055)</b>	<b>(7,326)</b>
<b>Expenditure for non-current assets</b>								
Property, plant and equipment	3,031	4,532	35	180	887	1,662	3,953	6,374
<b>Other material non-cash items</b>								
Depreciation of plant and equipment	8,792	8,580	19	19	1,269	1,094	10,080	9,693
Depreciation of right-of-use assets	6,452	6,653	126	132	351	268	6,929	7,053
Amortisation of intangible assets	508	451	42	42	425	419	975	912
Finance costs	2,136	2,675	209	313	94	133	2,439	3,121
PPE written-off	6	25	–	–	49	33	55	58
Impairment on investment in associate	–	–	–	–	47,762	–	47,762	–
(Reversal)/allowance for ECL on trade receivables	(33)	16	(364)	111	449	61	52	188
Share-based payments	767	1,420	–	–	–	–	767	1,420
<b>Segment assets</b>	<b>243,187</b>	<b>267,075</b>	<b>21,130</b>	<b>25,353</b>	<b>118,837</b>	<b>147,702</b>	<b>383,154</b>	<b>440,130</b>
<b>Segment liabilities</b>	<b>43,856</b>	<b>58,588</b>	<b>8,560</b>	<b>11,757</b>	<b>6,919</b>	<b>5,899</b>	<b>59,335</b>	<b>76,244</b>

## Aoxin Q & M Dental Group Limited

### 3B. Profit or loss for the second half year and reconciliations

	<u>Primary healthcare</u>		<u>Distribution of dental equipment and supplies</u>		<u>Laboratory services</u>		<u>Consolidated</u>	
	<u>2H2022</u>	<u>2H2021</u>	<u>2H2022</u>	<u>2H2021</u>	<u>2H2022</u>	<u>2H2021</u>	<u>2H2022</u>	<u>2H2021</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers (Note 4)	45,250	49,319	22,334	20,155	7,019	8,436	74,603	77,910
Inter-segment revenue	11,363	16,968	3,608	5,302	7,904	5,725	22,875	27,995
<b>Total Revenue</b>	<b>56,613</b>	<b>66,287</b>	<b>25,942</b>	<b>25,457</b>	<b>14,923</b>	<b>14,161</b>	<b>97,478</b>	<b>105,905</b>
Segment results includes share of result of associate (EBITDA)	1,620	7,290	124	(518)	(47,886)	3,017	(46,142)	9,789
Finance costs							(1,169)	(1,496)
Depreciation of plant and equipment							(5,147)	(4,973)
Depreciation of right-of-use assets							(3,485)	(3,526)
Amortisation of intangible assets							(486)	(461)
Loss before tax							(56,429)	(667)
Income tax expense							4,739	(569)
<b>Loss, net of tax</b>							<b>(51,690)</b>	<b>(1,236)</b>
<b>Expenditure for non-current assets</b>								
Property, plant and equipment	2,705	2,013	8	11	517	228	3,230	2,252
<b>Other material non-cash items</b>								
Depreciation of plant and equipment	4,495	4,399	10	10	642	564	5,147	4,973
Depreciation of right-of-use assets	3,247	3,337	60	66	178	123	3,485	3,526
Amortisation of intangible assets	251	228	21	21	214	212	486	461
Finance costs	1,035	1,314	87	80	47	102	1,169	1,496
PPE written-off	6	22	–	–	49	33	55	55
Impairment on investment in associate	–	–	–	–	47,762	–	47,762	–
ECL (reversal)/allowance on trade receivables	(33)	16	(220)	111	202	61	(51)	188
Share-based payments	147	784	–	–	–	–	147	784
<b>Segment assets</b>	<b>243,187</b>	<b>267,075</b>	<b>21,130</b>	<b>25,353</b>	<b>118,837</b>	<b>147,702</b>	<b>383,154</b>	<b>440,130</b>
<b>Segment liabilities</b>	<b>43,856</b>	<b>58,588</b>	<b>8,560</b>	<b>11,757</b>	<b>6,919</b>	<b>5,899</b>	<b>59,335</b>	<b>76,244</b>

## 4. Revenue

	<b>Group</b>			
	<b><u>2H2022</u></b> RMB'000	<b><u>2H2021</u></b> RMB'000	<b><u>FY2022</u></b> RMB'000	<b><u>FY2021</u></b> RMB'000
<u>Revenue classified by nature type</u>				
Rendering of services	44,594	48,559	85,753	92,445
Sale of goods	22,334	20,155	39,272	50,374
Laboratory services	7,019	8,436	13,429	15,888
Management fee income	75	199	141	378
Other income	47	27	58	27
Leasing income	534	534	1,068	1,068
<b>Total revenue</b>	<b>74,603</b>	<b>77,910</b>	<b>139,721</b>	<b>160,180</b>
<u>Revenue classified by timing of revenue recognition</u>				
Point in time	73,994	77,177	138,512	158,734
Over time	609	733	1,209	1,446
	<b>74,603</b>	<b>77,910</b>	<b>139,721</b>	<b>160,180</b>

## 5. Other income and gains and (other losses)

	<b>Group</b>			
	<b><u>2H2022</u></b> RMB'000	<b><u>2H2021</u></b> RMB'000	<b><u>FY2022</u></b> RMB'000	<b><u>FY2021</u></b> RMB'000
Bad debts written-off	(4)	–	(4)	(48)
Compensation damages <sup>(a)</sup>	–	–	–	(2)
De-recognition of contingent consideration payable <sup>(a)</sup>	–	21	–	21
Foreign exchange adjustment gain, net	(1,236)	344	(1,580)	811
Government grant income	201	121	530	211
Profit guarantee from vendors of acquired subsidiaries	1,357	1,750	1,357	1,750
Rental discount	74	–	684	85
De-recognition of right-of-use assets	39	–	85	–
Other gains	–	32	–	18
Other losses	(14)	–	(14)	–
Compensation on early termination of leases <sup>(b)</sup>	–	–	(144)	(53)
Plant and equipment written-off	(55)	(55)	(55)	(58)
<b>Net</b>	<b>362</b>	<b>2,213</b>	<b>859</b>	<b>2,735</b>
<u>Presented in profit or loss as:</u>				
Other income and gains	1,671	2,268	2,656	2,896
Other losses	(1,309)	(55)	(1,797)	(161)
	<b>362</b>	<b>2,213</b>	<b>859</b>	<b>2,735</b>

<sup>(a)</sup> Compensation damages, de-recognition of contingent consideration payable and impairment loss from goodwill in FY2021 were related to closure of business operation in Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd.

<sup>(b)</sup> Compensation on early termination of leases was for the purpose of cost saving by signing new leases with other landlord for larger space with lower rent.

## 6. Finance costs

	<u>Group</u>			
	<u>2H2022</u>	<u>2H2021</u>	<u>FY2022</u>	<u>FY2021</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on borrowings	122	278	369	714
Interest on lease liabilities	1,047	1,218	2,070	2,407
	<u>1,169</u>	<u>1,496</u>	<u>2,439</u>	<u>3,121</u>

## 7. Income tax

	<u>Group</u>			
	<u>2H2022</u>	<u>2H2021</u>	<u>FY2022</u>	<u>FY2021</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current tax expense</u>				
Current tax expense	233	404	289	505
Under/ (over) provision in respect of prior years	171	19	14	(16)
Subtotal	<u>404</u>	<u>423</u>	<u>303</u>	<u>489</u>
<u>Deferred tax income</u>				
Deferred tax income	(5,152)	(102)	(5,253)	(189)
<u>Withholding tax expense</u>				
Current withholding tax expense	3	248	61	496
Under/(over) provision in respect of prior years	6	-	(399)	(304)
Subtotal	<u>9</u>	<u>248</u>	<u>(338)</u>	<u>192</u>
Total income tax (credit)/expense	<u>(4,739)</u>	<u>569</u>	<u>(5,288)</u>	<u>492</u>

There are no income tax consequences of dividends to owners of the Group.

Subject to the agreement by the tax authorities, the Group and the Company have unutilised tax losses of approximately RMB54.6 million and RMB1.0 million (2021: RMB33.4 million and RMB2.6 million) respectively available for offset against future profits at the reporting date.

As at 31 December 2022, deferred tax asset of RMB5.1 million (2021: RMB Nil) was recognised in respect of these unutilised tax losses as it is probable that the benefit will flow to the entities having these losses and the benefit can be reliably measured.

## 8. Loss per share

	<u>Group</u>			
	<u>2H2022</u>	<u>2H2021</u>	<u>FY2022</u>	<u>FY2021</u>
	RMB cents	RMB cents	RMB cents	RMB cents
Basic loss per share	(10.12)	(0.31)	(10.78)	(1.82)
Diluted loss per share <sup>(a)</sup>	(10.12)	(0.31)	(10.78)	(1.81)
Weighted average number of share:-				
Basic	<u>510,827,186</u>	<u>402,845,145</u>	<u>510,827,186</u>	<u>402,845,145</u>
Diluted	<u>510,827,186</u>	<u>404,891,573</u>	<u>510,827,186</u>	<u>404,891,573</u>

The loss per share is computed by dividing the loss net of tax attributable to owners of the Company against the weighted average number of shares for the respective reporting periods.

<sup>(a)</sup> The diluted weighted average number of ordinary shares outstanding for FY2021 was adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the earliest event date during the year. The basic and diluted loss per share for 2H2022 and FY2022 are the same as the share option and performance shares granted are anti-dilutive and there were no other outstanding convertibles or other dilutive equity instruments.

9. During the year, the Group acquired assets amounting to RMB4.0 million (FY2021: RMB6.4 million) and assets written-off amounting to RMB55,000 (31 December 2021: RMB58,000). No disposal of assets during the year (FY2021: RMB3,000).

## 10. Goodwill

There was no movement in the amount of goodwill. Since the beginning of the reporting period, there were no significant changes in the circumstances and key assumptions.

The cash flow forecasts have been used to perform impairment assessment of investments in subsidiaries, goodwill, property, plant and equipment, and right-of-use assets. No impairment loss was recognised as the recoverable amounts were higher than the carrying values of these assets at the end of the reporting year.

## 11. Investment in an associate

	<u>Group</u>		<u>Company</u>	
	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000
Unquoted equity shares	88,125	125,064	88,125	146,904
Balance at beginning of the year	125,064	–	146,904	–
Addition	–	147,847	–	147,847
Impairment loss	(47,762)	–	(68,450)	–
Foreign exchange adjustments	8,896	(540)	9,671	(943)
Share of results for the year	1,927	1,273	–	–
Dividends	–	(23,516)	–	–
Balance at end of the year	88,125	125,064	88,125	146,904

The cost of investment of associate was tested for impairment as at 31 December 2022. This impairment test was carried out in relation to the preparation of the unaudited financial statement as at 31 December 2022. In particular, underperformance of the associate was considered sufficient to trigger the impairment test. The net asset value of the associate is also significantly lower than the carrying amount of the cost of investment in associate. The carrying values of investment in an associate of the Group and of the Company were written down by RMB47,762,000 and RMB68,450,000 respectively due to weaker performance of the associate which arose mainly from the relaxing of Covid-19 control measures in many countries including Singapore.

## 12. Share capital

	<b>Group and Company</b>	
	<u>Number of shares</u> '000	<u>Share Capital</u> RMB'000
<u>Ordinary shares</u>		
Balance as at 1 January 2021	381,575	295,356
Issuance of new shares	127,273	147,847
Balance as at 31 December 2021	508,848	443,203
Issuance of new shares <sup>(a)</sup>	2,441	2,270
Balance as at 31 December 2022	511,289	445,473

(a) On 8 March 2022, the Company issued 2,441,000 new ordinary shares at S\$0.20 per share to Mr You Zhongjiang, held in trust by Honour Pte. Ltd. in accordance with PRC legal requirements as Mr You Zhongjiang is a PRC national, pursuant to the exercise of the options granted under the Aoxin Q & M Employee Share Option Scheme in relation to the acquisition of 100% equity interest in Youxin Dental Clinic.

Share options

As at 31 December 2022, there were no outstanding share options (2021: 2,441,000).



## 12. Share capital (cont'd)

### Share awards

As at 31 December 2022, the total number of share awards outstanding under Aoxin Q & M Performance Share Plan was 960,565 (2021: 960,565) which vest in accordance with the vesting schedules each commencing on 1 January 2020 and ending on 31 December 2029, subject to certain vesting conditions.

As at 31 December 2022, the issued and paid-up share capital excluding treasury shares of the Company comprised 511,288,635 (2021: 508,847,635) ordinary shares. There was no change in the Company's share capital from 30 June 2022 to 31 December 2022.

Save as disclosed, there were no subsidiary holdings, treasury shares or outstanding convertibles as at 31 December 2022 and 31 December 2021.

## 13. Other financial liabilities – borrowings and debt securities

	<u>Secured</u>		<u>Unsecured</u>	
	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000
<u>Group</u>				
Repayable in one year or less, or on demand:				
Bank loan	–	–	639	3,454
Bill payable	2,600	6,188	–	–
Subtotal	2,600	6,188	639	3,454
Repayable after one year:				
Bank loan	–	–	979	8,982
Total	2,600	6,188	1,618	12,436
<u>Company</u>				
Repayable in one year or less, or on demand:				
Bank loan	–	–	639	3,454
Repayable after one year:				
Bank loan	–	–	979	8,982
Total	–	–	1,618	12,436

### 13A. Bank loan (unsecured)

The unsecured bank loan of RMB1,618,000 (2021: RMB12,436,000) is a 5-year temporary bridging loan ("TBL") extended by a bank in Singapore. The TBL shall be repaid over 60 monthly instalments with fixed interest rate of 2.25% (2021: 2.25%) per annum.

### 13B. Bills payables (secured)

The bills payables bear floating interest rate ranging from 4.60% to 5.46% (2021: 4.78% to 5.65%) per annum and are repayable within 6 months or 1 year (2021: 6 to 12 months).

Bill payable amounting to RMB2,200,000 (2021: RMB4,870,000) is secured by a pledge of a subsidiary's property and corporate guarantees of 2 subsidiaries in the Group. Bill payable amounting to RMB400,000 (2021: RMB330,000) is secured by corporate guarantee of the Company. The remaining amount of RMB988,000 as at 31 December 2021 was secured by corporate guarantee from the Company and pledge of certain trade receivables of the Group.

#### 14. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>FY2022</u> RMB cents	<u>FY2021</u> RMB cents	<u>FY2022</u> RMB cents	<u>FY2021</u> RMB cents
Net asset value per ordinary share	63.3	71.5	82.0	88.5

The net asset value per ordinary share of the Group and of the Company have been calculated based on the total issued number of ordinary shares of 511,288,635 and 508,847,635 as at 31 December 2022 and 31 December 2021 respectively.

#### 15. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

During the reporting year, certain subsidiaries in the Group leased clinics, hospitals and offices from their directors, and the Company leased software from a related party. As at 31 December 2022, the total carrying values of the Group's and the Company's right-of-use assets related to these leases were RMB5,110,000 and RMB821,000 (2021: RMB6,258,000 and RMB940,000) respectively.

#### 16. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Company</u>	
	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000	<u>FY2022</u> RMB'000	<u>FY2021</u> RMB'000
<u>Financial assets:</u>				
Financial assets at amortised cost	73,285	85,652	37,490	44,624
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	55,338	71,712	5,924	16,053

**17. Contingent liabilities and contingent assets**

The following table shows the maturity analysis of the contingent liabilities from financial guarantees at the end of the reporting year:

	<b>Company</b>	
	<b>FY2022</b> <b>RMB'000</b>	<b>FY2021</b> <b>RMB'000</b>
Financial guarantee contracts – bank guarantee in favour of subsidiaries	400	6,188

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period (being on demand) in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

There are no contingent assets as at date of this set of financial statements.

**18. Capital commitments**

At the end of the reporting year, estimated amounts committed for future capital expenditure but not recognised in the financial statements are as follows:

	<b>Group</b>	
	<b>FY2022</b> <b>RMB'000</b>	<b>FY2021</b> <b>RMB'000</b>
Commitments to purchase dental equipment	378	–

**19. Dividends on equity shares**

No dividend has been declared or recommended during the current reporting period and previous corresponding period as the Group is conserving cash for working capital needs.

**20. Events after the end of the reporting period**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C****1. Review**

The condensed interim consolidated statement of financial position of the Group and of the Company as at 31 December 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year ended and certain explanatory notes have not been audited or reviewed.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business****FY2022 vs FY2021****Statement of Profit or Loss and Other Comprehensive Income****Revenue**

The Group's revenue decreased by RMB20.5 million or 12.8% from RMB160.2 million for the financial year ended 31 December 2021 ("FY2021") to RMB139.7 million for the financial year ended 31 December 2022 ("FY2022"). The decrease was largely due to the resurgence of Covid-19 in Liaoning Province, PRC in the second and fourth quarters of 2022 which affected all business segments of the Group.

Revenue from primary healthcare segment decreased by 7.3% from RMB93.9 million in FY2021 to RMB87.0 million in FY2022. This decrease was largely due to the temporary closure of our hospitals as instructed by the local authorities, and a decrease in number of patients visiting dental polyclinics due to dental services being classified as a non-essential service.

Revenue from distribution of dental equipment and supplies segment decreased by 22.0% or RMB11.1 million from RMB50.4 million in FY2021 to RMB39.3 million in FY2022. The decrease was largely due to lower demand for dental equipment from government hospitals due to lesser government tender obtained in the six months ended 30 June 2022, partially offset by a slight increase in demand as a result of contracts secured during the six months ended 31 December 2022 ("2H2022"). The supply of dental equipment was also impacted by supply chain disruption as a result of Covid-19.

Revenue from laboratory services segment decreased by 15.5% from RMB15.9 million in FY2021 to RMB13.4 million in FY2022 due to a decrease in demand from government dental hospitals largely due to the temporary closure.

**Other Income and Gains**

Other income and gains decreased by 8.3% or RMB0.2 million from RMB2.9 million in FY2021 to RMB2.7 million in FY2022 mainly due to lower profit guarantee from vendor of acquired subsidiaries. However, the decrease was partially offset by the higher government grant and rental discount.

**Expenses****Cost of consumables and dental supplies**

Consumables and dental supplies used decreased by 11.5% from RMB13.6 million in FY2021 to RMB12.0 million in FY2022, which was more than the % decrease in revenue from the primary healthcare segment.

As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used in FY2022 was 13.8% as compared to 14.5% in FY2021 mainly due to increased revenue contribution from high-end dental services which generated higher gross profit margin.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**Cost of sales in dental equipment and supplies

Cost of sales in dental equipment and supplies decreased by 22.9% from RMB42.2 million in FY2021 to RMB32.5 million in FY2022, which was in line with the decrease in revenue from the distribution of dental equipment and supplies segment.

As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales in dental equipment and supplies in FY2022 was 82.8% as compared to 83.7% in FY2021.

Cost of laboratory services

Cost of laboratory services increased by RMB0.03 million or 0.9% to RMB3.6 million in FY2022. As a percentage of revenue from the laboratory services segment, cost of laboratory services was 26.8% in FY2022 as compared to 22.5% in FY2021 and this led to lower gross profit margin for FY2022. This was mainly due to reclassification of primary healthcare's material cost in prior year.

Employee benefits expenses

Employee benefits expense decreased by 0.4% from RMB70.1 million in FY2021 to RMB69.8 million in FY2022. The decrease was largely due to the decrease of staff salary and bonus and allowance in line with lower revenue recorded by the Group in FY2022. However, the decrease was partially offset by the increase in social contributions caused by a change of government regulation resulting in an increase of the contribution rate.

Rental expenses

Rental expenses increased RMB0.2 million from RMB1.0 million in FY2021 to RMB1.2 million in FY2022 largely due to the extension of one additional short term (less than one year) agreement for one of the dental polyclinics for few months.

Impairment loss on investment in associate

The impairment loss on associate was due to underperformance of the associate and the value of the investment has been written down due to weaker performance of the associate which arose mainly from the relaxing of Covid-19 control measures in many countries including Singapore.

Other expenses

Other expenses decreased by 21.4% or RMB4.2 million from RMB19.8 million in FY2021 to RMB15.6 million in FY2022. The decrease was mainly due to:

- (i) decrease in professional fee of RMB1.8 million which was largely due to absence of acquisition related expenses incurred for Acumen Diagnostics Pte. Ltd in FY2021;
- (ii) decrease in other tax expenses of RMB0.8 million;
- (iii) decrease in entertainment expenses of RMB0.3 million;
- (iv) decrease in advertisement fee of RMB0.3 million;
- (v) decrease in office expense of RMB0.2 million; and
- (vi) decrease in travelling expenses of RMB0.2 million

As a percentage of revenue, other expenses in FY2022 decreased to 11.1% from 12.3% in FY2021.

Other losses

Other losses increased RMB1.6 million from RMB0.2 million in FY2021 to RMB1.8 million in FY2022. The increase in other losses was mainly due to the higher exchange loss caused by appreciation of Singapore Dollar against Renminbi.

Share of results of associate

Share of results of associate related to Acumen Diagnostics Pte. Ltd. which was acquired on 1 November 2021. While the Group recorded an increase of 51.4% or RMB0.7 million from RMB1.3 million in FY2021 to RMB1.9 million in FY2022, the share of result of associate was for 12 months in FY2022 as compared to 2 months in FY2021. The reason for the underperformance was largely due to changes in Singapore government's policy on PCR test and the shift to antigen rapid test as a result of reclassification of Covid-19 from pandemic to endemic stage.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**Income tax

The tax credit was RMB5.3 million in FY2022 as compared to a tax expense of RMB0.5 million in FY2021. The increase was largely due to the recognition of deferred tax asset in relation to unutilised tax losses.

**Loss, net of Tax**

For the reasons given above, the Group recorded the net loss of RMB55.1 million in FY2022 as compared to net loss of RMB7.3 million in FY2021. Excluding the one-off impairment loss on investment in associate, the net loss would have been RMB7.3 million in FY2022.

**2H2022 vs 2H2021****Statement of Profit or Loss and Other Comprehensive Income****Revenue**

The Group's revenue decreased by RMB3.3 million or 4.2%, from RMB77.9 million for the six months ended 31 December 2021 ("2H2021") to RMB74.6 million in 2H2022. This decrease was largely due to the temporary closure of our hospitals as instructed by the local authorities, and a decrease in number of patients visiting dental polyclinics as dental services are classified as a non-essential service. As a result, the revenue for primary healthcare segment decreased by RMB4.1 million to RMB45.3 million while laboratory services segment decreased by RMB1.4 million to RMB7.0 million.

Revenue from distribution of dental equipment and supplies segment increased by 10.8%, from RMB20.2 million in 2H2021 to RMB22.3 million in 2H2022. This was mainly due to higher demand of medical equipment from hospitals and distributors.

**Expenses**Cost of consumables and dental supplies

Consumables and dental supplies used decreased by 2.1% from RMB7.0 million in 2H2021 to RMB6.9 million in 2H2022.

As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used in 2H2022 was 15.2% as compared to 14.2% in 2H2021.

Cost of sales in dental equipment and supplies

Cost of sales in dental equipment and supplies increased by 9.3% from RMB16.7 million in 2H2021 to RMB18.3 million in 2H2022, which was in line with the increase in revenue from the distribution of dental equipment and supplies segment.

As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales in dental equipment and supplies in 2H2022 was 81.8% as compared to 82.9% in 2H2021.

Cost of laboratory services

Cost of laboratory services increased by 37.9% from RMB1.5 million in 2H2021 to RMB2.1 million in 2H2022.

As a percentage of revenue from the laboratory services segment, cost of laboratory services was 30.1% in 2H2022 as compared to 18.1% in 2H2021. This was mainly due to reclassification of primary healthcare's material cost in prior year.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**

Employee benefits expenses

Employee benefits expense decreased by 1.7% from RMB36.5 million in 2H2021 to RMB35.9 million in 2H2022. The decrease was largely due to the decrease of staff salary and bonus and allowance in line with lower revenue. However the decrease was partially offset by the increase in social contributions caused by a change of government regulation resulting in an increase of the contribution rate.

Impairment loss on investment in associate

The impairment loss on associate was due to underperformance of the associate and the value of the investment has been written down due to weaker performance of the associate which arose mainly from the relaxing of Covid-19 control measures in many countries including Singapore.

Other expenses

Other expenses decreased by 7.3% from RMB9.2 million in 2H2021 to RMB8.5 million in 2H2022. The decrease was mainly due to

- (i) decrease in expenses related to acquisition of Acumen Diagnostics Pte. Ltd. of RMB1.3 million;
- (ii) decrease in other tax expenses of RMB0.7 million;
- (iii) decrease in advertising and office expenses of RMB0.2 million; and
- (iv) offset by the absence of a reversal of management fee expenses of RMB1.7 million in FY2021 which did not recur in FY2022. Therefore, the above decreases in other expenses were offset by absence of reversal of expense.

As a percentage of revenue, other expenses in 2H2022 decreased to 11.4% from 11.8% in 2H2021.

Other losses

Other losses increased by RMB1.2 million from RMB0.1 million in 2H2021 to RMB1.3 million in 2H2022. The increase in other losses was mainly due to exchange loss caused by appreciation of Singapore Dollar against Renminbi.

Share of results of associate

Share of results of associate was loss of RMB1.2 million in 2H2022 as compared to a profit of RMB1.3 million in 2H2021. The associate recorded significantly lower revenue due to changes in Singapore policy on PCR test and the shift to antigen rapid test as a result of reclassification of Covid-19 from pandemic to endemic stage.

Income tax

The tax credit was RMB4.7 million in 2H2022 as compared to a tax expense of RMB0.6 million in 2H2021. The change was largely due to the recognition of deferred tax asset in relation to unutilised tax losses.

**Loss, net of Tax**

For the reasons given above, the Group has recorded net loss of RMB51.7 million in 2H2022 as compared to net loss of RMB1.2 million in 2H2021. Excluding one-off impairment loss on investment in associate, the net loss would have been RMB3.9 million in 2H2022.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)****Statement of Financial Position**

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2022 and 31 December 2021.

**Non-Current Assets**

Deferred tax asset increased by RMB5.1 million was due to the recognition of unutilised tax losses as the utilisation of tax losses is probable.

Property, plant and equipment decreased by RMB6.2 million, from RMB48.2 million as at 31 December 2021 to RMB42.0 million as 31 December 2022. The decrease was mainly due to depreciation expenses.

Right-of-use ("ROU") assets decreased by RMB5.2 million, from RMB38.0 million as at 31 December 2021 to RMB32.8 million as at 31 December 2022, mainly due to depreciation of ROU assets. The Group's ROU assets are related to premises leased by the Group for its dental centres and business units.

Investment in an associate decreased by RMB37.0 million from RMB125.1 million as at 31 December 2021 to RMB88.1 million as at 31 December 2022 largely due to impairment amounting to RMB47.8 million. However the decrease was partially offset by foreign exchange adjustment amounting to RMB8.9 million and share of result from associate amounting to RMB2.0 million.

**Current Assets**

Trade and other receivables decreased by RMB27.1 million, from RMB61.0 million as at 31 December 2021 to RMB33.9 million as at 31 December 2022 mainly due to receipt of dividend income from its associate company amounting to RMB23.1 million. However, the decrease was partially offset by additional profit guarantee income recognised amounting to RMB1.3 million and higher trade receivables for laboratory services segment RMB3.0 million due to slower payment from the customers.

Cash and cash equivalents increased by RMB15.1 million, from RMB24.4 million as at 31 December 2021 to RMB39.4 million as at 31 December 2022, mainly due to cash inflows from operating activities, receipt of dividend income of RMB23.1 million and partially offset by the repayment of bank loan and bills payables of RMB18.3 million. For details on fluctuation of cash and cash equivalents, please refer to cash flow analysis below.

**Non-Current Liabilities**

Lease liabilities decreased by RMB5.8 million, from RMB28.4 million as at 31 December 2021 to RMB22.6 million as at 31 December 2022 due to payments of lease liabilities.

Other non-current financial liabilities decreased by RMB8.0 million, from RMB9.0 million as at 31 December 2021 to RMB1.0 million as at 31 December 2022 due to the repayment of bills payable.

**Current Liabilities**

Trade and other payables increased by RMB1.8 million, from RMB21.4 million as at 31 December 2021 to RMB23.1 million as at 31 December 2022 largely due to increase of other payables in primary healthcare segment.

Other financial liabilities decreased by RMB6.4 million, from RMB9.6 million as at 31 December 2021 to RMB3.2 million as at 31 December 2022 mainly due repayment of bills payable and unsecured bank loan.



**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business (cont'd)**

**FY2022 vs FY2021**

**Statement of Cash Flows**

The Group's net cash flows generated from operating activities in FY2022 was RMB16.0 million. This was mainly attributable to operating cash inflows before changes in working capital of RMB9.5 million and decrease in trade and other receivables of RMB4.3 million and increase trade and other payables of RMB1.8 million.

Net cash generated from investing activities in FY2022 was RMB19.0 million, which was mainly attributable to receipt of dividend income from its associate company. This was partially offset by the acquisition of plant and equipment for the Group's operations.

Net cash flows used in financing activities in FY2022 was RMB20.7 million, mainly due to the repayment of bank loans and bills payables, repayment of lease liabilities and interest. The cash outflow was partially offset by the cash inflow from issuance of new shares and proceeds from bank loans and bills payables.

As a result of the above, the Group's cash and cash equivalents stood at RMB39.4 million as at 31 December 2022.

**2H2022 vs 2H2021**

**Statement of Cash Flows**

The Group's net cash flows generated from operating activities in 2H2022 was RMB12.7 million. This was mainly attributable to operating cash inflows before changes in working capital of RMB5.2 million and decrease in trade and other receivables and increase in trade and other payable. This cash inflow was partially offset by increase in inventories in 2H2022.

Net cash flows used in investing activities in 2H2022 was RMB3.3 million, which was mainly attributable to acquisition of plant and equipment for the Group.

Net cash flows used in financing activities in 2H2022 was RMB6.6 million, mainly due to the repayment of bank loans and bills payables, payment of lease liabilities and interest expense. The outflow was partially offset by the cash inflow from proceeds from bills payables.

As a result of the above, the Group's cash and cash equivalents stood at RMB39.4 million as at 31 December 2022.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The Group's FY2022 results reflect the significant impact of the Covid-19 lockdowns in China to the Group's overall revenue. With the opening up of China in 2023, the business climate and overall economy in the PRC is expected to turn positive and we thus look forward to the Group's revenue to correspondingly improve.

The Group's homegrown medical technology associate company, Acumen, will continue to progressively roll out its pipeline of new non-Covid 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 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 commencing 1 October 2022 and is expected to contribute at least S\$3.6 million to Acumen's revenue during the contract period.

The Group will continue to focus on disciplined management of its operating expenditures, costs and capital expenditures. In addition, the Group is considering a potential fund raising exercise within the next 12 months.

Barring any unforeseen circumstances in the year ahead, we expect operations to gradually improve in 2023 as China opens up and the economy recovers. We do not foresee at this point in time, any major known factors or events that may adversely affect the Group in the next 12 months.

**5. Dividend**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

None.

**(b) Corresponding period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

**(c) The date the dividend is payable.**

Not applicable.

**(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

**6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for FY2022 as the Group is conserving cash for working capital needs.

7. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 3B to the condensed interim consolidated financial statements.

8. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business segments.**

**Performance by business segment**

Please refer to explanation in Paragraph 2 of Other Information Required By Catalist Rule Appendix 7C in this announcement.

9. **A breakdown of sales**

In RMB'000	Group		Change %
	FY2022	FY2021	
Revenue reported for first half year	65,118	82,270	(20.8)
Operating loss after tax reported for first half year	(3,365)	(6,090)	(44.7)
Revenue reported for second half year	74,603	77,910	(4.2)
Operating loss after tax reported for second half year	(51,690)	(1,236)	NM

10. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable. No dividend has been declared or recommended for FY2022 and FY2021.

11. **Interested person transactions**

The Group has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules. Particulars of the interested person transactions for FY2022, disclosed in accordance with Rule 907 of the Catalist Rules, are set out below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Shao LiHua	Sister of Dr Shao YongXin, Executive Director and Group Chief Executive Officer of the Company	S\$145,000*  Rental of premises at Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. and Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd.	None

\* RMB4.9 to SGD1

**12. Confirmation pursuant to Rule 720(1) of the Catalist Rules**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Catalist Rules.

**13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, chief executive officer and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Shao LiHua	71	Sister of Dr Shao YongXin, Executive Director and Group Chief Executive Officer of the Company	Deputy Admin Manager (2014)	None

**14. Disclosure on incorporation, acquisition and realization of shares pursuant to Catalist Rule 706A**

During FY2022, the Company did not incorporate, acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A.

**On behalf of the board of directors**

**Dr. Shao Yongxin**  
**Executive Director and**  
**Group Chief Executive Officer**

**Mr. Chua Ser Miang**  
**Non-Executive Chairman and**  
**Independent Director**

1 March 2023