AOXIN Q&M

Aoxin Q & M Dental Group Limited

ANNUAL REPORT 2020

Steadfast and Resilient

Contents

Steadfast and Resilient

Despite multiple disruptions throughout the year, Aoxin Q & M has remained steadfast and resilient, swiftly responding to the COVID-19 pandemic in order to mitigate its effects on the Group's business, while steadily continuing to work towards the Group's long-term goal of establishing itself as a reputable provider of quality dental services in the Liaoning Province

This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited.

This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Vision 愿景

Becoming the leading dental medical group in Northern China
成为中国北部领先的牙科医疗集团

Mission 使命

Business growth, contribution to the society, and providing quality healthcare
发展事业、造福社会、呵护健康

Core values 核心价值观

To be kind, dedicated, hardworking and ambitious
厚德、精业、勤诚、致远

At A Glance

ABOUT AOXIN Q & M

Aoxin Q & M Dental Group Limited ("Aoxin Q & M", and together with its subsidiaries, the "Group") is a leading provider of private dental services in the Liaoning Province, Northern PRC. The Group operates 16 dental centres, comprising 10 dental polyclinics and 6 dental hospitals, located across 8 cities in Liaoning Province, namely Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian and Anshan. We currently have 400 dental professionals, including 170 dentists, 180 dental surgery assistants and 50 laboratory technicians. A majority of our dental centres are accredited as Designated Medical Institutions of Medical Insurance.

Additionally, the Group is engaged in the provision of dental laboratory services, as well as the distribution and sale of dental equipment and supplies in the Liaoning, Heilongjiang and Jilin Provinces in Northern PRC.

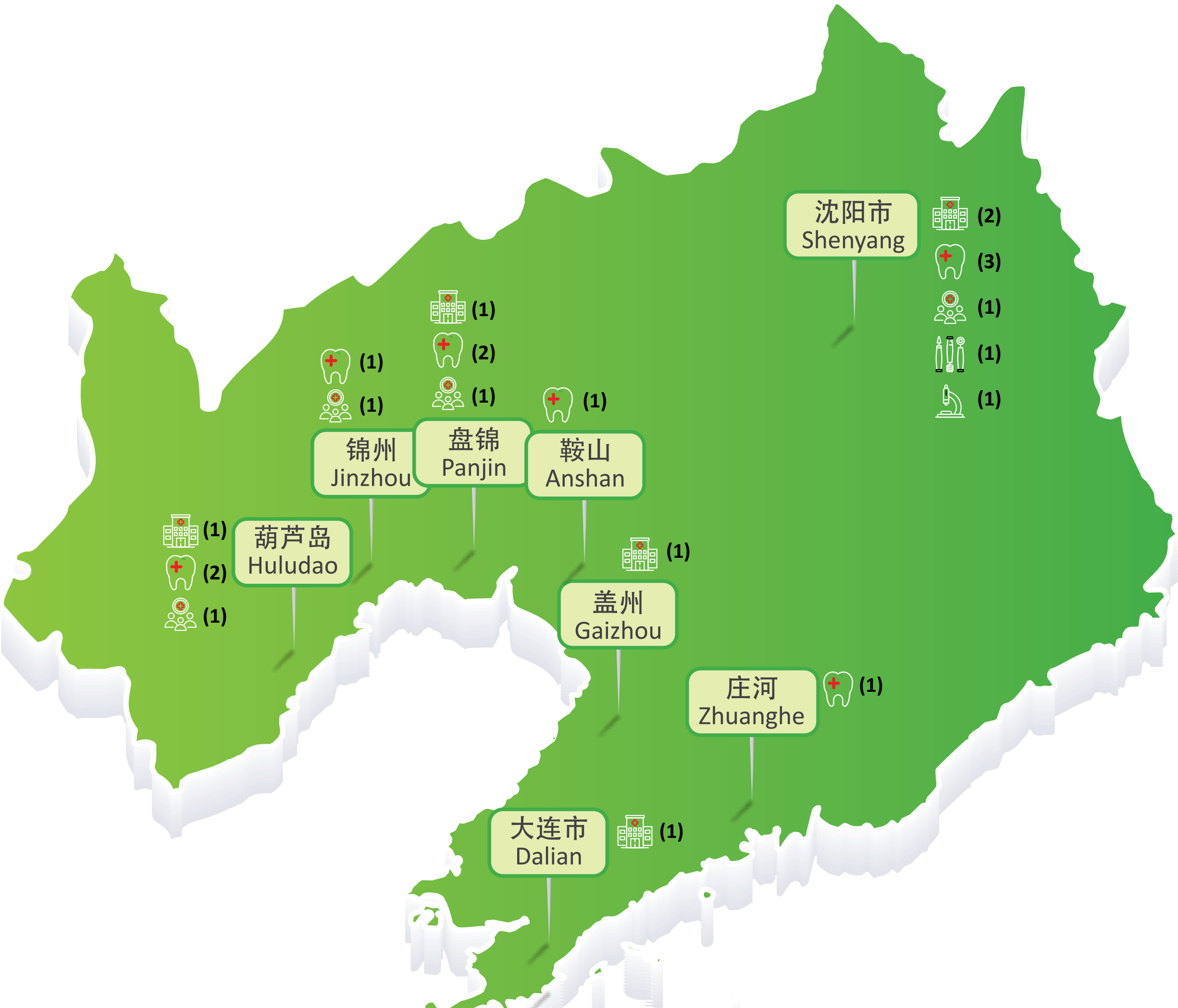
10 Dental Polyclinics

6 Dental Hospitals

4 Training Centres

1 Dental Distribution & Supplies

1 Dental Laboratory



Note:
Based on the general classification code by PRC's Ministry of Health, dental polyclinics must have at least 4 dental chairs, and dental hospitals must have 20 or more dental chairs.

COLLABORATION WITH JINZHOU MEDICAL UNIVERSITY

As part of its commitment towards dental training and education, the Group collaborates with Jinzhou Medical University to provide training to dental students and dental professionals. Aoxin Q & M is the only corporation in Northern PRC to be accredited by a university to provide training in dentistry.

There are four dental centres within the Group that are accredited by Jinzhou Medical University and designated as training centres to carry out practical training, namely:

- Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd
- Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd
- Jinzhou Aoxin Youxin Dental Clinic Co., Ltd
- Huludao Aoxin Q & M Stomatology Hospital Co., Ltd

List of Dental Services

- Stomatology and General Dentistry
- Endodontics
- Orthodontics
- Periodontics
- Prosthodontics
- Dental Implantology
- Oral and Maxillofacial Surgery
- Aesthetic Dentistry
- Paedodontics

Corporate Milestones

1997

Dr Shao Yongxin, Executive Director and Group Chief Executive Officer, established Shenyang Aoxin Stomatology Polyclinic, our first dental polyclinic in Shenyang City

2009

Shenyang Hospital was awarded the ISO 9001:2008 Certificate of Approval (Quality Management Systems) certification

2014

Acquired 3 dental hospitals and 3 dental polyclinics in Shenyang City and Huludao City

2005

Shenyang Polyclinic was upgraded into our first dental hospital and renamed Shenyang Aoxin Stomatology Hospital ("Shenyang Hospital")

2015

- Acquired 4 dental polyclinics in Panjin City and a dental hospital in Gaizhou City
- Collaboration with Jinzhou Medical University to provide training and internship opportunities to its students
- Diversified into the distribution of dental equipment and supplies through the acquisition of 60.0% of Shenyang Maotai Q & M Medical Equipment Co., Ltd. ("SY Maotai")

2017

- Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited
- Acquired a dental laboratory in Shenyang City
- Acquired a dental polyclinic in Zhuanghe City

2018

Official opening of a dental hospital in Panjin City and a dental polyclinic in Shenyang City

2019

- Acquired 3 dental polyclinics in Jinzhou City and Shenyang City
- Opened 2 dental clinics in Huludao City and Anshan City, and a dental hospital in Dalian City

2020

Became the first dental institution to join the Shenyang Citizen Card's list of service providers

Message To Shareholders

DEAR SHAREHOLDERS,

We are pleased to present our annual report for the financial year ended 31 December 2020 ("FY2020").

During the year in review, we have had to contend with the COVID-19 pandemic and its effects, which have ranged from economic uncertainties, to disruptions to our operations. In some instances, some of our dental centres had to suspend operations more than once.

By end of January 2020, all of our dental hospitals and dental polyclinics were temporarily closed in accordance with directives from the Chinese government and local dental health authorities, till March 2020 when the Group was able to resume operations and commence dental treatments at all of our 6 dental hospitals and 10 dental polyclinics.

However, in July 2020, our Group had to temporarily suspend operations at its dental centres in Dalian due to a fresh coronavirus cluster detected in the city. In accordance with a directive from the Health Commission of Dalian City in which non-emergency medical treatments, including dental services, were to be suspended. We temporarily halted our Dalian operations, consisting of Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd. and Zhuanghe City Aoxin Dawei Dental Co., Ltd., from late-July to mid-August 2020. In December 2020, we had to suspend part of our operations in the cities of Shenyang and Dalian due to the re-emergence of domestically transmitted asymptomatic COVID-19 cases. By end of February 2021, we were able to resume operations for all of our dental centres in Shenyang and Dalian after meeting the reopening criteria set by the Health Commission of Shenyang City and Dalian City.

Throughout the year, we were vigilant about implementing the necessary safety precautions throughout our operations, including during periods of temporary closure when our dental centres may not have been open to the public. Our Group responded quickly to the outbreak by implementing strict sanitation procedures, reorganising our personnel so as to mitigate the risk of infection and adopting industry-leading disinfection equipment such as a Neusoft Disinfection Safety Guard Robot. Additionally, all of the Group's dental hospitals and polyclinics strictly complied with the Chinese Health Commission's epidemic prevention and control requirements, and we continued to take all necessary measures to ensure employee and patient safety, including requiring all employees to put on face masks at work, conducting temperature checks, implementing contact tracing of patients, and intensifying the cleaning and disinfecting of common areas. We intend to continue these precautionary measures as we believe they are instrumental in ensuring the health and safety of our patients and staff.

In May 2020, we officially closed Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd. in Huanggu District, Shenyang City, Liaoning Province ("Jinfeng"). In light of the uncertain global economic outlook brought on by the pandemic, we believe that the closure of Jinfeng would help the Group to minimise our overall gestation losses and conserve financial resources for working capital use, thereby allowing us to focus on strengthening the operations of our existing dental centres.

Despite these disruptions, our Group had some positive highlights during the year. In September 2020, Aoxin Q & M became the first dental services provider in Shenyang to join the Shenyang Citizen Card platform. The Shenyang Citizen Card is a centralised card which can be used by residents of Shenyang City to access different services, such as banking and public transport. Through our participation, card users will have access to all of our 3 dental polyclinics and 2 dental hospitals in Shenyang City. As the first dental institution on the list of providers, we believe we will have access to a wider outreach of potential patients across the city, while differentiating ourselves as a reputable provider of quality dental services.

Additionally, in November 2020, some students from our training collaboration with Jinzhou Medical University won first place in a dental medicine skills competition organised by Liaoning Province's Department of Education. We believe this is a testament to the quality of our dental training and coaching.

Message To Shareholders

FINANCIAL HIGHLIGHTS

During the year in review, Group revenue dipped 6.1% to RMB132.6 million due to lower contributions from the primary healthcare and distribution of dental equipment and supplies segments. The primary healthcare segment, which was our Group's largest contributor, dropped by 3.9% to RMB78.5 million, mainly due to operational disruptions from the suspension of some of our dental centres during the COVID-19 pandemic.

Despite the lower revenue, the Group's loss after tax narrowed to RMB12.1 million, from RMB13.5 million a year ago, thanks to strong recovery from the COVID-19 pandemic in the second half of the year.

In the latest full-year results, the Group had a net asset value of RMB223.3 million, which translates into a net asset value per share of 58.5 RMB cents.

OUTLOOK AND STRATEGY

Looking ahead, the COVID-19 pandemic will continue to impact our business outlook and strategy. More specifically, the possibility of another wave of infection could cause more disruptions to our operations and further dampen our financial performance. Nevertheless, the health and safety of our employees, patients and other stakeholders will remain a priority to the Group, and we will continue to be vigilant.

Overall, we believe that the dental industry in China shows long-term prospects, largely due to the country's large population base, the potential for improvement in the average oral health level, as well as the population's growing awareness of the need for good oral health care. We are optimistic that with the strength of our brand, we remain well-positioned to meet the growing demand for quality oral healthcare in the region.

As such, having completed all of our intended acquisitions and openings, our focus is to build up our brand name and to establish more collaborations, such as with insurance providers. Additionally, we also aim to innovate and increase our service offerings in order to differentiate ourselves as a unique provider of quality dental healthcare. We are optimistic that such initiatives will help to improve our revenue as well.

We remain optimistic about progressive recovery, and are encouraged that patient volume has been improving. We will continue to mitigate the gestation losses of our newly opened dental hospitals and polyclinics by streamlining and integrating our resources across our operations. This would allow our newer clinics to tap on the experience of our staff, technical support, and publicity efforts of our established clinics. We hope that this will help to strengthen the operational efficiency in our newer hospitals and polyclinics, which in turn would lead to minimal losses and on the road to profitability.

Furthermore, we plan to consolidate the Group's dental and equipment supplies business across the three provinces which it covers, namely Liaoning, Heilongjiang, and Jilin. We will continue to collaborate with existing vendors to introduce new products to existing customers, while reaching out to new potential clientele beyond the three provinces. We will also work towards increasing the suite of high-end products available to customers by sourcing for reputable vendors in this specific range.

We will also continue to recruit and train new dentists, nurses, and dental technicians in order to support our long-term growth plan. We are committed towards nurturing our staff, as we believe that our employees are instrumental to our success. We will continue to invest in the recruitment, training, and development of quality staff in order to support and grow our operations.

APPRECIATION

On that note, we would like to express our gratitude to our management and staff for their hard work and resilience during this unpredictable year. We are ever grateful for your commitment towards the Group. Additionally, we would also like to thank our fellow members of the Board, for their guidance and counsel amidst tough times.

On behalf of the Board, we would also like to thank Mr Vitters Sim Yu Xiong for his invaluable contribution during his tenure as he will be retiring as Non-Executive Director during the upcoming Annual General Meeting in April 2021.

Finally, thank you to our shareholders for your continued confidence in us. We are hopeful that with your support, we will be able to overcome the challenges ahead of us.

MR CHUA SER MIANG
Non-Executive Chairman and Independent Director

DR SHAO YONGXIN
Executive Director and Group Chief Executive Officer

BOARD OF DIRECTORS

Mr. Chua Ser Miang, 52
Non-Executive Chairman | Independent Director

Date of Appointment 30 March 2017
Date of Last Re-appointment 29 June 2020
Length of service as a director (as at 31 December 2020) 3 years 9 months
Country of Principal Residence Singapore

Board Committee Memberships
- Chairman of Audit Committee
- Member of Remuneration Committee
- Member of Nominating Committee

Board's Comments on the Appointment
Not applicable. Mr. Chua Ser Miang is not subjected to re-election

Academic & Professional Qualifications
- Bachelor of Business Administration (Honours), National University of Singapore
- Member of CFA Institute
- Member of the Singapore Institute of Directors

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) NIL

Family Relationship None

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
Listed Companies
- Anchor Resources Limited

Non-listed companies
- China Knowledge Data Technology Pte. Ltd.

Past (for the last 5 years)
- Deskera Holdings Limited
- Eastwin Capital Pte. Ltd.
- Yamada Green Resources Limited

Working Experience and Occupation(s) over the last 10 years
- Director, Crowe Horwath Capital Pte. Ltd. (November 2020 to present)
- Director of Eastwin Capital Pte. Ltd. (January 2013 to December 2020)
- Director, Corporate Finance Department of DMG & Partners Securities Pte. Ltd. (September 2006 to December 2012)

Conflict of interest (including any competing business) NIL

Dr. Shao Yongxin (邵永新), 59
Executive Director and Group Chief Executive Officer

Date of Appointment 24 February 2017
Date of Last Re-appointment 26 April 2018
Length of service as a director (as at 31 December 2020) 3 years 10 months
Country of Principal Residence China

Board's Comments on the Appointment
The re-appointment of Dr. Shao Yongxin as Executive Director and Group Chief Executive Officer of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration his contributions, qualifications , expertise and past experiences

Job Title and Area of Responsibility
Executive Director and Group Chief Executive Officer
- Responsible for the overall strategic, management and business development of the Group

Academic & Professional Qualifications
- Professional Certificate (Stomatology), Shenyang Dental Skills Training Centre
- Master of Business Administration, Jilin University of Technology

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) 109,401,709 (deemed interest)

Family Relationship None

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
- Dean of Jinzhou Medical University Shenyang College of Dentistry

Non-listed companies
- Health Field Enterprises Limited
- Action Health Enterprises Limited
- Q & M Dental (Shenyang) Pte. Ltd.
- Shanghai Q & M Investment Management & Consulting Co., Ltd.
- Shenyang Xinao Hospital Management Co., Ltd.
- Shenyang Quanxin Medical Equipment Leasing Co., Ltd.

Past (for the last 5 years) NIL

Working Experience and Occupation(s) over the last 10 years
- Executive Director and Group Chief Executive Officer of Aoxin Q&M Dental Group Limited (2017 to present)
- Hospital Director of Shenhe District No. 6 Hospital (1997 to 2016)
- Hospital Director of Shenyang Aoxin Stomatology Hospital Co., Ltd. (1997 to 2014)

Conflict of interest (including any competing business) NIL

Mr. San Yi Leong @ Tan Yi Leong, 43
Executive Director and Deputy Chief Executive Officer

Date of Appointment 23 March 2017
Date of Last Re-appointment 30 April 2019
Length of service as a director (as at 31 December 2020) 3 years 9 months
Country of Principal Residence Singapore

Board's Comments on the Appointment
Not applicable. Mr. San Yi Leong @ Tan Yi Leong ("Mr. San") is not subjected to re-election

Job Title and Area of Responsibility
Executive Director and Deputy Chief Executive Officer
- Assist the Group CEO in overseeing and managing the overall administration, business and operations of the Group
- Assist the Group CEO in company strategic planning, merger and acquisition activities, fund raising activities and financial function
- Assist the Group CEO in communications with the Board of Directors, regulators, investor relations, and on corporate road show activities

Academic & Professional Qualifications
- Bachelor of Commerce (Accounting and Finance), Curtin University of Technology
- Chartered Accountant of Singapore
- Certified Practising Accountant of Australia

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) NIL

Family Relationship
Mr. San is the brother-in-law of Dr Ng Chin Siau, Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited, who is a deemed controlling shareholder of the Company

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
Non-listed companies
- EM2Ai Pte Ltd (formerly known as Q & M Dental AI Pte. Ltd.)
- Q & M Dental (Shenyang) Pte. Ltd.
- Shanghai Q & M Investment Management & Consulting Co., Ltd.

Past (for the last 5 years)
- Q & M Management & Consultancy Pte. Ltd.
- Quantumleap Healthcare Pte. Ltd.
- Q & M Dental (Shanghai) Pte. Ltd.
- Q & M Dental Holdings (Shenzhen) Pte. Ltd.
- Aidite (Qinhuangdao) Technology Co., Ltd. (China)
- Shenyang Q & M Management Consulting Co. Ltd.

Working Experience and Occupation(s) over the last 10 years
- Executive Director and Deputy Chief Executive Officer of Aoxin Q&M Dental Group Limited (2019 to present)
- Chief Executive Officer of EM2Ai Pte Ltd (2018 to present)
- Non-Executive Director of Aoxin Q & M Dental Group Limited (2017 – 2018)
- Business Development Director of Q & M Dental Group Limited (Singapore) (2017 – 2018)
- Chief Financial Officer of Aoxin Q & M Dental Group Limited (2015 – 2017)
- General Manager of Q & M Medical Group (Singapore) Pte. Ltd. (2013 – 2015)
- Business Development Director of Q & M Dental Group (Singapore) Limited (2011 to 2015)
- Business Development Manager of Q & M Dental Group (Singapore) Limited (2005 – 2011)

Conflict of interest (including any competing business)
Mr. San is a director and Chief Executive Officer of EM2Ai Pte Ltd ("EM2Ai") (formerly known as Q & M Dental AI Pte. Ltd.). EM2Ai is in the business of MedTech, specialising in AI-led dental disease detection and treatment planning processes and products. The Board, in consultation with the Nominating Committee, is of the view that the interests of Mr. San and his associates in EM2Ai do not post any conflict of interests with the Group's business as Mr. San has confirmed that EM2Ai is not in a competing business with the Group. Should there be any conflict of interest which Mr. San is reasonably aware in respect of himself and/or his associates in future, Mr. San will make such conflict of interest known to the Board as soon as he is reasonably aware so that he may recuse himself from such related discussions and/or decisions and resolutions as most appropriate

Board Of Directors

Mr. Vitters Sim Yu Xiong, 62
Non-Executive Director

Date of Appointment 28 December 2016
Date of Last Re-appointment 26 April 2018
Length of service as a director (as at 31 December 2020) 4 years
Country of Principal Residence Singapore

Board's Comments on the Appointment
Not applicable. Mr. Vitters Sim Yu Xiong is retiring pursuant to Regulation 117 of the Company's Constitution and he will not be seeking re-election

Academic & Professional Qualifications
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Association of Chartered Certified Accountants, United Kingdom

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) NIL

Family Relationship None

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
- Chief Financial Officer of Q & M Dental Group (Singapore) Limited

Non-listed companies
- Aesthetics Dental Surgery Pte. Ltd.
- Lee & Lee (Dental Surgeons) Pte. Ltd.
- Q & M Dental Holdings (Shenzhen) Pte. Ltd.
- Q & M Professionals Holding Pte. Ltd.
- Q & M Dental Holdings (Malaysia) Pte. Ltd.
- EM2Ai Pte Ltd (formerly known as Q & M Dental AI Pte. Ltd.)
- Q & M Dental Group (Malaysia) Sdn. Bhd.
- Q & M Dental Holdings (Malaysia) Sdn. Bhd.
- AR Dental Supplies Sdn. Bhd.

Past (for the last 5 years)
- Q & M Dental (Shenyang) Pte. Ltd.

Working Experience and Occupation(s) over the last 10 years
- Chief Financial Officer of Q & M Dental Group (Singapore) Limited (2010 to present)

Conflict of interest (including any competing business)
Mr. Vitters is a director of EM2Ai Pte Ltd ("EM2Ai") (formerly known as Q & M Dental AI Pte. Ltd.). EM2Ai is in the business of MedTech, specialising in AI-led dental disense detaction and treatment planning processes and products. The Board, in consultation with the Nominating Committee, is of the view that the interests of Mr. Vitters and his associates in EM2Ai d not post any conflict of interests with the Group's business as Mr. Vitters has confirmed that EM2Ai is not in a competing business with the Group. Should there be any conflict of interest which Mr. Vitters is reasonably aware in respect of himself and/or his associates in future, Mr. Vitters will make such conflict of interest known to the Board as soon as he is reasonably aware so that he may recuse himself from such related discussions and/or decisions and resolutions as most appropriate

Professor Chew Chong Yin @ Chew Chong Lin, 75
Independent Director

Date of Appointment 30 March 2017
Date of Last Re-appointment 30 April 2019
Length of service as a director (as at 31 December 2020) 3 years 9 months
Country of Principal Residence Singapore

Board Committee Memberships
- Chairman of Remuneration Committee
- Member of Audit Committee
- Member of Nominating Committee

Board's Comments on the Appointment
Not applicable. Professor Chew Chong Yin @ Chew Chong Lin is not subjected to re-election

Academic & Professional Qualifications
- Bachelor of Dental Surgery, University of Singapore
- Master of Dental Surgery, University of Singapore
- Doctor of Philosophy, University of Singapore
- Master of Science in Dentistry, Indiana University

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) 100,000 (direct interest)

Family Relationship None

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
- President, Singapore Dental Council, Ministry of Health
- Member, Dental Specialist Accreditation Board, Ministry of Health
- Emeritus Consultant, National University Health System
- Emeritus Professor, National University of Singapore

Past (for the last 5 years) NIL

Working Experience and Occupation(s) over the last 10 years
- Professor, Faculty of Dentistry, National University of Singapore (1992 to 2019)
- Emeritus Consultant, National University Health System (1999 to present)

Awards
- Public Administration Medal (Silver), 2004
- National Medical Excellence Award, Ministry of Health, Singapore (National Clinician Mentor Award), 2009

Conflict of interest (including any competing business) NIL

Mr. Lin Ming Khin, 62
Independent Director

Date of Appointment 30 March 2017
Date of Last Re-appointment 29 June 2020
Length of service as a director (as at 31 December 2020) 3 years 9 months
Country of Principal Residence Singapore

Board Committee Memberships
- Chairman of Nominating Committee
- Member of Audit Committee
- Member of Remuneration Committee

Board's Comments on the Appointment
Not applicable. Mr. Lin Ming Khin is not subjected to re-election

Academic & Professional Qualifications
- Bachelor of Laws, University of Buckingham
- Advocate & Solicitor of Singapore
- Barrister-at-Law of the Middle Temple

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2021) 50,000 (direct)

Family Relationship None

Other Principal Commitments (as defined in the Singapore Code of Corporate Governance) including Directorships in other companies

Present
- Commissioner for Oaths
- Notary Public

Non-listed companies
- Charles Lin LLC

Past (for the last 5 years)
- Bee Entertainment Pte. Ltd.

Working Experience and Occupation(s) over the last 10 years
- Director at Charles Lin LLC (2017 to current)
- Consultant at MyintSoe & Selvaraj (2011 to 2017)

Conflict of interest (including any competing business) NIL

Executive Officers

Dr. Bai Yi

General Manager

Dr. Bai is the Group's General Manager. She assists the Group's Executive Director and Chief Executive Officer, Dr. Shao, in overseeing operations. Dr. Bai joined the Group in 2014, and she has more than 40 years of experience in the dental industry.

Dr. Bai began her career in 1978 as an employee and doctor's assistant with the Shenyang Shenhe Dental Disease Prevention & Cure Clinic (沈阳市沈河区牙病防治所), where she was eventually promoted to Head of Clinic in 1983. She then joined the Shenyang Shenhe People's Hospital (沈阳市沈河区人民医院) in 1996 as its Hospital Director, before joining Shenyang Aoxin Industrial Co., Ltd. (沈阳奥新实业有限公司) in 2005 as its Deputy General Manager pursuant to which she was also appointed as Deputy Hospital Director of Shenyang Aoxin Stomatology Hospital (沈阳奥新口腔医院). In 2011, Dr. Bai was promoted to General Manager of Shenyang Aoxin Industrial Co., Ltd. (沈阳奥新实业有限公司) and Hospital Director of Shenyang Aoxin Stomatology Hospital (沈阳奥新口腔医院). Dr. Bai subsequently joined Shenyang Aoxin Q & M Stomatology Hospital Co.,Ltd. (沈阳奥新全民口腔医院有限公司) as its General Manager and Hospital Director in 2014.

Dr. Bai is a graduate of the Shenyang Medical College (沈阳医学专科学校) (Diploma (Stomatology) (1983)), Jilin University of Technology (吉林工业大学) (Professional Certificate (Administration) (1996)) and Peking University (北京大学) (Master's Degree (Administration) (2002)).

Between 1997 and 2002, and 2002 and 2007, Dr. Bai was the representative of the 14th and 15th Shenhe District People's Congress (沈河区人大代表), respectively.

Ms. Wan Sin Nee

Financial Controller

As the Group's Financial Controller, Ms. Wan is responsible for the Group's financial and accounting matters. Ms. Wan has more than 15 years of experience in auditing, accounting, and financial management.

She began her career in 2004 as a Senior Associate with BDO LLP. In 2008, she joined W. Atelier Pte. Ltd. as Senior Accountant. Thereafter, in 2011, she joined Q & M Dental Group (Singapore) Limited as its Senior Accountant, where she was promoted to Group Accountant in 2013. In 2016, Ms. Wan transferred to Aoxin Q & M Dental Group Limited as its Group Accountant, and was promoted to Senior Group Accountant later that year. Ms. Wan was promoted to Financial Controller in 2017.

Ms. Wan is a graduate of University Putra Malaysia (Bachelor of Accountancy (2004)). Ms. Wan is also a Fellow of the Association of Chartered Certified Accountants, and is a member of the Institute of Singapore Chartered Accountants.

Mr. Cui Guo An

Chief Operating Officer

Mr. Cui was appointed Chief Operating Officer ("**COO**") of the Group on 28 May 2018. As the COO of the Group, he is responsible for overseeing the Group's operations. He is also the General Manager of Shenyang Maotai Q & M Medical Equipment Co., Ltd. (沈阳茂泰全民医疗设备有限公司) ("**SY Maotai**").

Mr. Cui joined our Group in 2016. He has over 35 years of experience in the medical industry, of which more than 30 years have been in the dental industry. Mr. Cui began his career in 1986 as a Lab Technician with the Liaoning Basics Medical Science Institute (辽宁省基础医学研究所). In 1988, he joined the Liaoning College of Health Vocational Technology (辽宁省卫生职工医学院) as Chief of Academic Affairs. In 1990, he joined the China Medical University Science & Technology Development Company (中国医科大学科技开发总公司) as Sales Manager, before leaving in 1994 to establish Shenyang M&T Medical Equipment Co., Ltd., which business he transferred into SY Maotai in 2015.

Mr. Cui is a graduate of the China Medical University (中国医科大学) (Bachelor's Degree (Clinical Medicine) (1993)).

Mr. Zhang Dong Wei

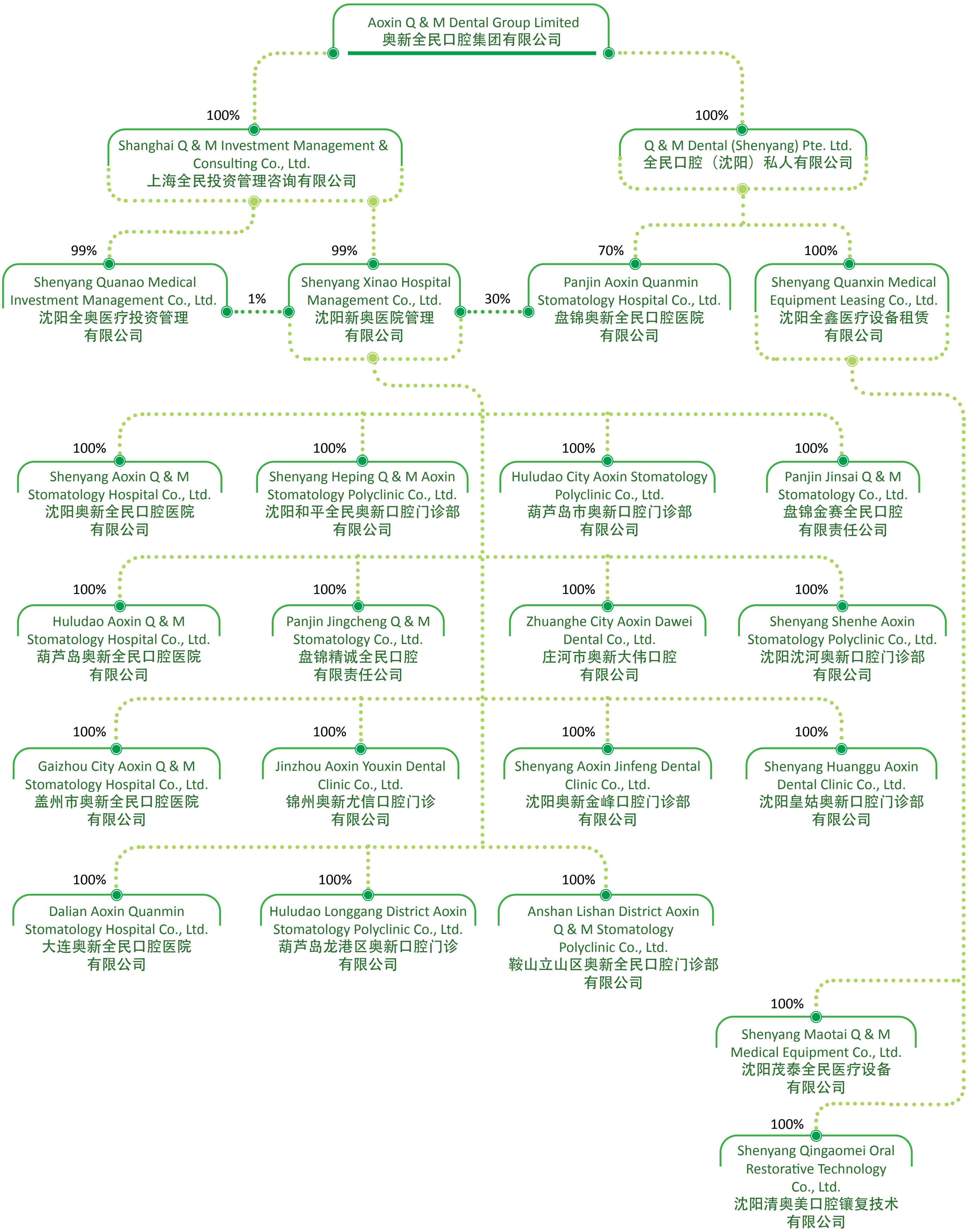
Deputy General Manager (Finance)

As the Group's Deputy General Manager (Finance), Mr. Zhang assists the Group's Financial Controller, Ms. Wan, with financial and accounting matters. Mr. Zhang has over 20 years of experience in auditing, accounting, and financial management.

Mr. Zhang began his career in 1991 as the Finance Manager of the Meihekou, Jilin branch of the Shenyang Mulan Electronics Group Co., Ltd. (沈阳木兰电子集团吉林省梅河口分公司). Between 1995 and 1998, he was self employed and engaged in the sale of furniture. In 1998, Mr. Zhang joined Shenyang Bigtide Direction Group Co. Ltd. (沈阳北泰方向集团有限公司及其各子公司), as its Finance Manager. Subsequently, in 2008, Mr. Zhang joined Shenyang Aoxin Stomatology Hospital (沈阳奥新口腔医院) as Deputy General Manager (Finance). In 2014, he joined Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. (沈阳奥新全民口腔医院有限公司) as its Deputy General Manager (Finance).

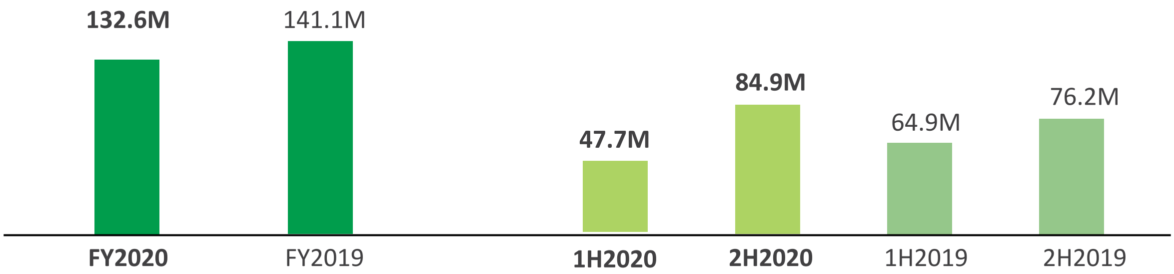
Mr. Zhang is a graduate of the Dongbei University of Finance and Economics (东北财经大学) (Bachelor's Degree (Economics) (1990)). Mr. Zhang is a Registered Tax Agent and Senior Accountant of the PRC. He is also a Non-Practicing Member of the Chinese Certified Tax Agents Association (中国注册税务师协会非执业会员) and a Non-Practicing Member of the Chinese Institute of Certified Public Accountants (中国注册会计师协会非执业会员).

Group Structure

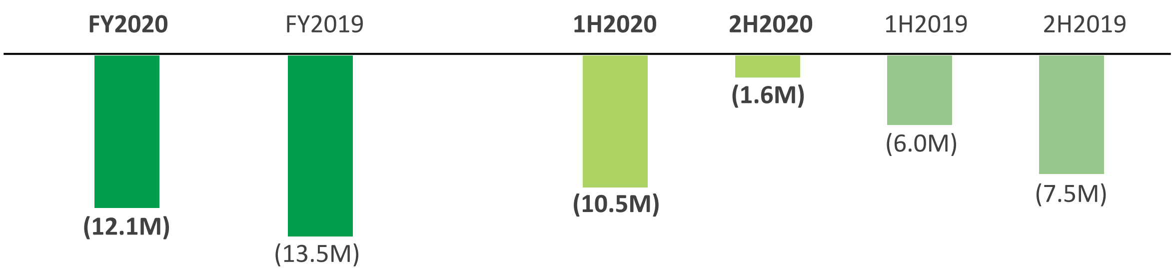


Highlights Of The Year
FY2020 Key Figures

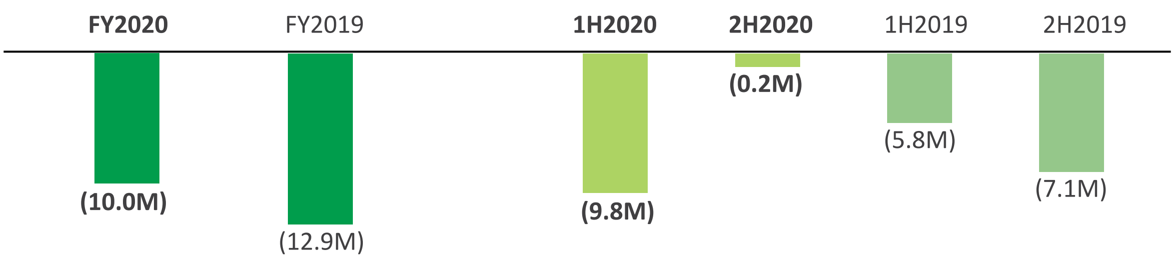
REVENUE (RMB)



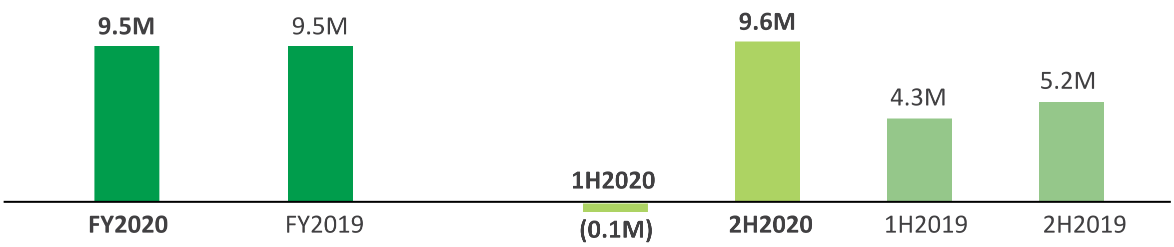
LOSS AFTER TAX (RMB)



LOSS AFTER TAX (EXCLUDING OTHER INCOME AND LOSSES) (RMB)



EBITDA (RMB)

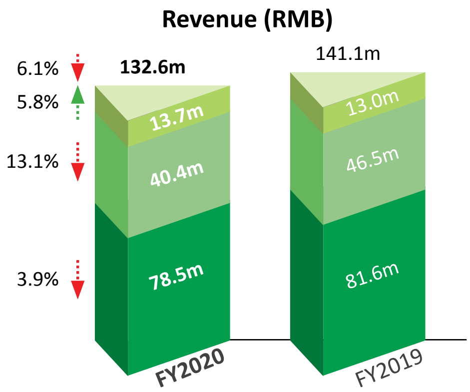


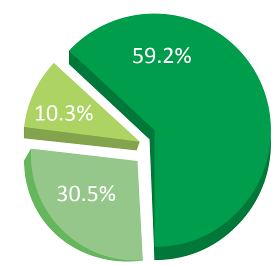
Cash Position
RMB 37.9M
(As at 31 December 2019: RMB 27.0M)

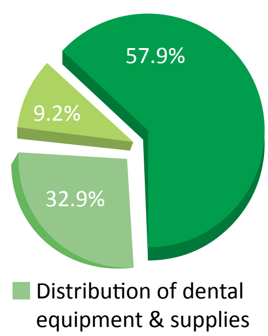
NAV per share
58.5 RMB Cents
(As at 31 December 2019: 61.4 RMB Cents)

Current Ratio
2.3 times
(As at 31 December 2019: 1.8 times)

PERFORMANCE REVIEW







In the financial year ended 31 December 2020 ("FY2020"), the Group's operations were negatively impacted by COVID-19 pandemic and its related countermeasures. Overall, the Group's revenue decreased by 6.1% from RMB141.1 million in the financial year ended 31 December 2019 ("FY2019") to RMB132.6 million in FY2020. Despite the challenges brought by the COVID-19 pandemic, the Group's revenue for second half of FY2020 ("2H2020") rose by 11.4% to RMB84.9 million from RMB76.2 million in second half of FY2019 ("2H2019").

In accordance with directives from the Chinese government and local dental health authorities, all of our 16 dental centres, comprising 6 dental hospitals and 10 dental polyclinics, were suspended from providing non-essential dental services in February and March 2020. From July 2020 to August 2020, 1 dental hospital and 1 dental polyclinic in Dalian were suspended from providing non-essential dental due to a fresh coronavirus cluster detected in the city. In December 2020, we had to suspend 1 dental hospital and 4 dental polyclinics in the cities of Shenyang and Dalian due to the re-emergence of domestically transmitted asymptomatic COVID-19 cases. This led to our dental centres serving significantly smaller patient load in FY2020 as compared to the year before. As a result, revenue from the primary healthcare segment dropped by 3.9% from RMB81.6 million in FY2019 to RMB78.5 million in FY2020.

Revenue from the distribution of dental equipment and supplies segment decreased by 13.1% to RMB40.4 million in FY2020 (FY2019: RMB46.5 million) due to the adverse impact of the COVID-19 pandemic.

Revenue from the laboratory services segment increased by 5.8% to RMB13.7 million in FY2020 (FY2019: RMB13.0 million) mainly due to higher sales to distributor. As part of the reorganisation of the Group's resources, we scaled down the sales team and engaged a distribution company to manage the sales for the laboratory services segment during the year.

The primary healthcare, distribution of dental equipment and supplies, and laboratory services segments accounted for 59.2%, 30.5% and 10.3% of revenue respectively in FY2020 as compared to 57.9%, 32.9% and 9.2% in FY2019.

Other income and gains

Other income and gains increased substantially to RM3.3 million in FY2020 (FY2019: NIL), mainly due to de-recognition of contingent consideration payable after the closure of business operations of Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd. ("Jinfeng"), government grant received, as well as gain in foreign currency translation.

Operating expenses

Consumables and dental supplies used increased by 13.0% to RMB13.3 million in FY2020 (FY2019: RMB11.7 million) as a result of higher dental lab processing cost. As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used increased to 16.9% (FY2019: 14.4%).

Cost of sales from the dental equipment and supplies distribution segment decreased by 10.9% to RMB34.4 million in FY2020 (FY2019: RMB38.6 million), in line with lower revenue contributions from the dental equipment and supplies distribution segment. As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales for dental equipment and supplies increased to 85.3% (FY2019: 83.1%). Gross profit margin of dental equipment and supplies distribution segment dropped to 14.7% in FY2020 (FY2019: 16.9%) as a result of higher sales of materials with lower margins during the year.

Cost of laboratory services increased by 21.6% to RMB3.9 million in FY2020 (FY2019: RMB3.2 million) in line with the higher revenue from laboratory services. As a percentage of revenue from the laboratory services segment, cost of laboratory services increased to 28.1% (FY2019: 24.4%). Gross profit margin of laboratory services segment dropped to 71.9% in FY2020 (FY2019: 75.6%) mainly due to higher sales to a distributor with lower profit margins.

Employee benefits expense decreased by 9.0% to RMB54.5 million in FY2020 (FY2019: RMB59.9 million), mainly due to waiver of social insurance contributions from February 2020 to December 2020 by the Chinese government and temporary 2-month salary reduction during the pandemic. As a percentage of revenue, employee benefits expense decreased to 41.1% (FY2019: 42.4%).

Depreciation and amortisation expense increased by 3.9% to RMB10.9 million in FY2020 (FY2019: RMB10.5 million) mainly due to an increase in depreciation for dental equipment and renovation costs for the new hospitals and clinics that were opened in FY2019. As a percentage of revenue, depreciation and amortisation expense increased to 8.2% (FY2019: 7.5%).

Depreciation of right-of-use ("ROU") assets remained relatively unchanged at RMB7.1 million in FY2020. As a percentage of revenue, depreciation of ROU assets increased to 5.4% (FY2019: 5.1%).

Rental expense from short-term leases decreased by 17.5% to RMB0.9 million in FY2020 (FY2019: RMB1.1 million) as a result of a decrease in short-term rental during the year. As a percentage of revenue, rental expenses decreased to 0.7% (FY2019: 0.8%).

Finance costs increased by 2.5% to RMB3.3 million in FY2020 (FY2019: RMB3.2 million) mainly due higher bank borrowings. As a percentage of revenue, finance costs increased to 2.5% (FY2019: 2.3%).

Other expenses decreased by 11.7% to RMB13.8 million in FY2020 (FY2019: RMB15.6 million) mainly due to a drop in travelling expenses and marketing costs of RMB1.2 million and RMB0.7 million respectively. As a percentage of revenue, other expenses decreased to 10.4% (FY2019: 11.1%).

Impairment loss allowances from trade receivables decreased by 64.7% from RMB0.9 million in FY2019 to RMB0.3 million in FY2020.

Financial Review

Other losses increased to RMB5.4 million in FY2020 from RMB0.6 million in FY2019, mainly due to (i) plant and equipment written-off of RMB3.3 million arising from obsolescence and damages; (ii) impairment of goodwill relating to the acquisition of Jinfeng of RMB1.7 million; and (iii) compensatory damages of RMB0.4 million paid to vendor as a result of the closure of Jinfeng.

Income tax expense decreased substantially from RMB2.2 million in FY2019 to RMB0.2 million in FY2020 mainly due to recovery of withholding tax in prior year offset by the tax payable in FY2020, as well as lower withholding tax incurred in FY2020.

Loss after tax

Despite the decline in revenue, the Group's loss after tax narrowed to RMB12.1 million in FY2020 from RMB13.5 million a year ago.

Loss after tax reduced to RMB1.6 million in 2H2020 compared to RMB7.5 million in 2H2019 due to strong recovery from COVID-19 pandemic. Loss after tax in 1H2020 was RMB10.5 million as compared to RMB6.0 million in 1H2019 due to the adverse impact of the COVID-19 pandemic.

Excluding the other income and other losses, the Group would have registered a loss after tax of RMB10.0 million in FY2020 compared to a loss after tax of RMB12.9 million in FY2019.

FINANCIAL POSITION

The Group's net asset value as at 31 December 2020 was RMB223.3 million, which translates into a net asset value per share of 58.5 RMB cents.

Non-current assets

Non-current assets as at 31 December 2020 decreased to RMB226.3 million (FY2019: RMB245.9 million), mainly due to a decrease in property, plant and equipment, ROU assets, as well as intangible assets.

Property, plant and equipment as at 31 December 2020 decreased to RMB51.7 million (FY2019: RMB62.5 million), mainly due to: (i) depreciation of property, plant and equipment of RMB10.1 million; and (ii) plant and equipment written-off of RMB3.3 million. This drop was partially offset by purchase of new plant and equipment amounting to RMB3.1 million during the year.

ROU assets relate to leases of premises occupied by the Group's dental centres and business units. ROU assets as at 31 December 2020 decreased to RMB43.8 million (FY2019: RMB50.8 million), mainly due to depreciation of ROU assets of RMB7.1 million during the year.

Intangible assets as at 31 December 2020 decreased to RMB130.5 million (FY2019: RMB132.2 million), mainly due to impairment of goodwill arising from acquisition of Jinfeng of RMB1.7 million as a result of the termination of agreements with the vendors.

Current assets

Current assets as at 31 December 2020 increased to RMB78.3 million (FY2019: RMB62.7 million), mainly due to an increase in trade and other receivables, other assets, and cash and cash equivalents, which was partially offset by a decrease in income tax recoverable.

Trade and other receivables as at 31 December 2020 increased to RMB27.6 million (FY2019: RMB21.6 million), mainly due to an increase in trade and other receivables of RMB5.5 million from the distribution of dental supplies and equipment and the laboratory services segments.

Other non-financial assets as at 31 December 2020 increased to RMB2.0 million (FY2019: RMB1.6 million) arising from higher rental prepayment.

Cash and cash equivalents at 31 December 2020 increased to RMB37.9 million (FY2019: RMB27.0 million), mainly due to: (i) net cash flows generated from operating activities; and (ii) proceeds from new bank loans. This was partially offset by repayment of bank loans, bills payable, and lease liabilities, as well as operating costs.

Income tax recoverable as at 31 December 2020 decreased to RMB18,000 (FY2019: RMB1.8 million), mainly due to: (i) withholding tax recoverable in prior year offset by tax payable; and (ii) lower withholding tax expense in FY2020.

Non-current liabilities

Non-current liabilities comprised mainly lease liabilities and other financial liabilities.

Lease liabilities as at 31 December 2020 decreased to RMB32.5 million (FY2019: RMB37.6 million), due to repayment of lease liabilities during the year.

Other financial liabilities as at 31 December 2020 amounted to RMB13.0 million arising from the proceeds from new bank loans.

Current liabilities

Current liabilities at 31 December 2020 decreased to RMB34.5 million (FY2019: RMB35.5 million), mainly due to a decrease in trade and other payables, which was partially offset by an increase in income tax payables, lease liabilities and other financial liabilities.

Trade and other payables as at 31 December 2020 decreased to RMB22.7 million (FY2019: RMB24.6 million), mainly due to payment made to the vendors amounting to RMB3.0 million for the acquisition of subsidiaries in previous year.

Income tax payables as at 31 December 2020 increased to RMB0.5 million (FY2019: RMB0.1 million), mainly due to income tax payable by the primary healthcare segment.

Lease liabilities relate to the present value of future lease payment for rental of dental hospitals and polyclinics premises. Lease liabilities as at 31 December 2020 increased to RMB6.7 million (FY2019: RMB6.5 million), mainly due to more lease contracts due for payment in the next twelve months compared to a year ago.

Other financial liabilities as at 31 December 2020 increased to RMB4.6 million (FY2019: RMB4.3 million), mainly due to an increase in bank borrowings.

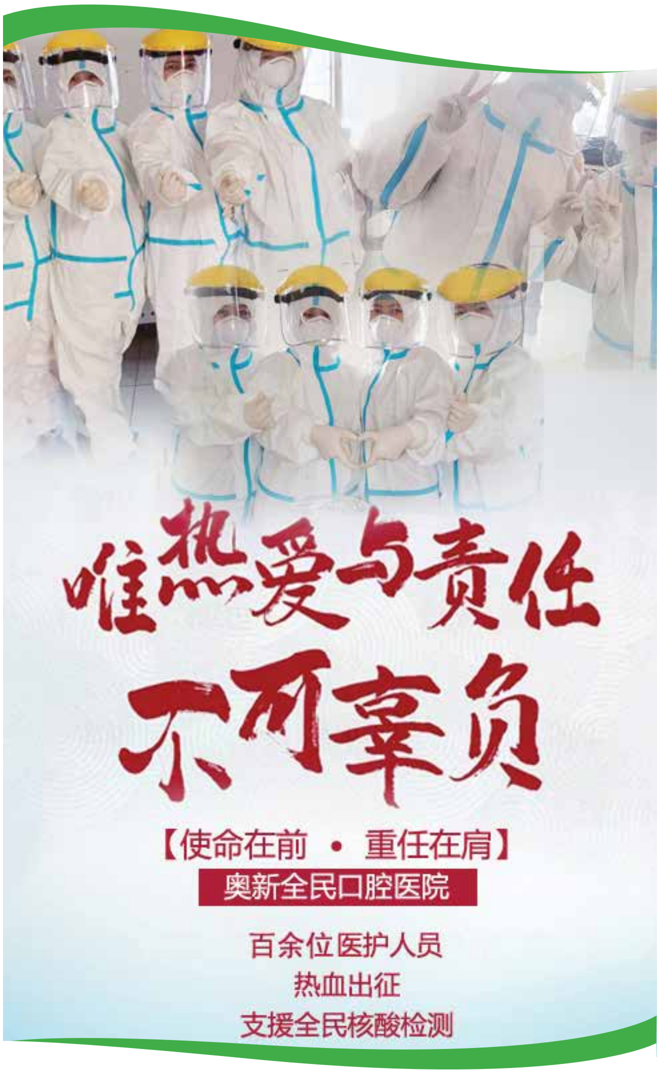
CASH FLOW

The Group generated net cash flow from operating activities of RMB12.4 million in FY2020. This was mainly attributable to: (i) positive operating cash flow before changes in working capital of RMB15.9 million; (ii) income tax refund of RMB1.8 million; and (iii) increase in trade and other payables of RMB1.1 million. The increase was partially offset by an increase in trade and other receivables and other non-financial assets of RMB6.4 million.

Net cash used in investing activities of RMB6.4 million was mainly due to purchase of plant and equipment and software of RMB3.1 million, as well as payment made to the vendors amounting to RMB3.0 million for the acquisition of subsidiaries in prior year.

Net cash from financing activities of RMB5.1 million was mainly due to proceeds from new bank loans and bills payables of RMB25.0 million, which was partially offset by: (i) repayment of bank loans and bills payables of RMB11.6 million; (ii) repayment of principal portion of lease liabilities of RMB5.0 million; (iii) interest paid on lease liabilities of RMB2.7 million; and (iv) interest paid on bank loans and bills payables of RMB0.6 million.

Consequently, the Group's cash and cash equivalents increased from RMB27.0 million to RMB37.9 million as at year end.



This year, we carried out numerous corporate social responsibility ("CSR") initiatives in order to give back to society. In light of the ongoing COVID-19 pandemic, many of our CSR initiatives were part of wider efforts taken towards combatting the spread of the COVID-19 virus in Liaoning Province. As a medical institution, we believe it is important for us to contribute our resources and expertise during such times of public health crises.

For instance, in January 2020, our hospital in Gaizhou, Gaizhou City Aoxin Q & M Stomatology Hospital, distributed more than 10 tonnes of antiseptic liquid to the public for free in order to help alleviate the shortage of anti-bacterial supplies in the city.

In addition to donating supplies, we also contributed our medical expertise where possible. In December 2020, in response to the emergence of a new variation of the COVID-19 virus within Shenyang, more than 100 of Aoxin Q & M's staff were deployed to community sites across the city, where they aided in the administering of COVID-19 swab tests to Shenyang residents. Over the course of 10 days, the team worked together to administer tests to more than 30,000 people.

Aside from our contributions towards fighting COVID-19, we also conducted other CSR initiatives aimed at improving the dental health and knowledge of the general public. Similar to the previous year, we held numerous "Little Dentists" programmes (小牙医活动) throughout Liaoning Province, during which our dentists and staff visited kindergartens, preschools, and early education centres to educate young children on the importance of maintaining good dental health. We also conducted free dental check-up clinics during the year, for beneficiaries ranging from kindergartens to corporations such as National Union Life and Limb Insurance Company.

In the year ahead, we will continue to carry out more CSR activities, as we believe that such initiatives allow us to give back to society, while providing our employees with meaningful opportunities to engage the communities around them. Such activities are also a way for the Group to stay close to our core values – to be kind, dedicated, hardworking, and ambitious.

Corporate Information

BOARD OF DIRECTORS
Mr. Chua Ser Miang
Non-Executive Chairman and Independent Director

Dr. Shao Yongxin (邵永新)
Executive Director and Group CEO

Mr. San Yi Leong @ Tan Yi Leong
Executive Director and Deputy CEO

Mr. Vitters Sim Yu Xiong
Non-Executive Director

Professor Chew Chong Yin
@ Chew Chong Lin
Independent Director

Mr. Lin Ming Khin
Independent Director

AUDIT COMMITTEE
Mr. Chua Ser Miang *(Chairman)*
Professor Chew Chong Yin
@ Chew Chong Lin
Mr. Lin Ming Khin

REMUNERATION COMMITTEE
Professor Chew Chong Yin
@ Chew Chong Lin *(Chairman)*
Mr. Chua Ser Miang
Mr. Lin Ming Khin

NOMINATING COMMITTEE
Mr. Lin Ming Khin *(Chairman)*
Professor Chew Chong Yin
@ Chew Chong Lin
Mr. Chua Ser Miang

COMPANY SECRETARY
Lee Pay Lee
Cheok Hui Yee

REGISTERED OFFICE
80 Robinson Road #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399

SHARE REGISTRAR
Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

SPONSOR
SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

AUDITORS
RSM Chio Lim LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095

Partner-in-charge: Chan Weng Keen
(Member of the Institute of Singapore Chartered Accountants)
Effective from year ended 31 December 2020

Financial Contents

The Board of Directors (the "**Board**" or "**Directors**") of Aoxin Q & M Dental Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and has adopted the principles of the Code of Corporate Governance 2018 (the "**Code**") to enhance transparency and accountability as well as to protect the interest of shareholders.

The Board confirms that the Company had, for the financial year ended 31 December 2020 ("**FY2020**"), complied with and observed the Principles set out in the Code, and where there are deviations from the Provisions of the Code, explanations, including the Provision from which it has varied, reasons for deviation and how the Group's practices adopted are consistent with the intent, aim and philosophy of the Principle in question, have been provided in the relevant sections below.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1 The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Role

The primary role of the Board is to lead and control the Company's operations and affairs and to protect and enhance long-term shareholders' value. The Board is entrusted with the responsibility for the overall management of the Company.

The principal function of the Board, in addition to carrying out its statutory responsibilities, *inter alia*, are as follows:

(a) provides entrepreneurial leadership and establishes the corporate strategies of the Company as well as sets the direction and goals for the executive management ("**Management**");

(b) ensures that the necessary financial and human resources are in place for the Company to meet its strategic objectives;

(c) supervise and constructively challenge the Management and review its performance;

(d) instils an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with such culture;

(e) implementing and maintaining sound corporate governance practices for the Company, and to ensure transparency and accountability to key stakeholder groups;

(f) identify key stakeholder groups and recognise that their perceptions affect the Company's reputation, including but not limited to the dentists and patients; and

(g) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation of the Group.

Independent Judgement

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. The Directors have the appropriate core competencies and diversity of experience to enable them to contribute effectively. All Directors are fiduciaries who are expected to exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

Code of Conduct and Ethics and Conflicts of Interest

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. Similarly, the employees of the Group are required to comply with, *inter alia*, the code of conduct stated in the employee handbook. Each Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. On an annual basis or as and when necessary, each Director is also required to submit details of his other directorships and interests in other entities for the purpose of monitoring interested persons transactions and potential conflict of interests. Where a Director has a conflict of interest in relation to any matter, he will recuse himself from discussions and decisions involving the issues of conflict.

Matters requiring Board Approval

The Board has established an internal framework to ensure that the type of material transactions that require the Board's approval is consistently applied throughout the Group. Matters requiring Board approval include:

(a) Overall Company's business and budget strategy;

(b) Capital expenditures, investments or divestments exceeding material limits;

(c) All capital-related matters including capital issuance;

(d) Significant policies governing the operations of the Company;

(e) Corporate strategic development and restructuring;

(f) Material acquisitions and disposals of assets;

(g) Material interested person transactions;

(h) Appointment or removal of Directors, Company Secretary and Executive Officers;

(i) Risk management strategies;

(i) Approval of half yearly and year end result announcements and the release thereof; and

(j) Approval of the annual reports and accounts for presentation at annual general meeting ("**AGM**").

Directors' Orientation and Training

The Board ensures that each newly appointed Director will receive appropriate induction training including familiarisation with the Company's business, governance practices and relevant statutory and regulatory compliance issues to ensure that he or she has a proper understanding of the Company and is fully aware of his or her responsibilities and obligations of being a Director of a listed company. To get a better understanding of the Group's business, the Directors are given the opportunity to visit the Group's operational facilities and meet with the key management personnel. The Company will also provide each newly appointed Director with a formal letter of appointment setting out the Director's duties and responsibilities.

Newly-appointed directors with no prior experience as a director of a listed company in Singapore will undergo training in the roles and responsibilities of a listed company director as prescribed by the SGX-ST in accordance to Rule 406(3)(a) of the Catalist Rules. For FY2020, there were no newly appointed directors.

The Company is responsible for arranging and funding the training of Directors. Directors are updated with the latest professional developments in relation to the Catalist Rules, accounting standards and other applicable regulatory updates or amendments to relevant laws, rules and regulations to ensure the compliance of the same by all Directors. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and news articles/reports (including analyst reports) which are relevant to the Group's business are regularly circulated to the Directors. Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of their duties as Directors, and to be kept informed on the relevant new laws, regulations, code of corporate governance, financial reporting standards and changing commercial risks, from time to time. The Company has an ongoing budget for its Directors to attend appropriate courses, conferences and seminars conducted by external professionals for them to stay abreast of relevant business developments and outlook.

During FY2020, the Directors were provided with briefings and/or updates on: (i) the developments in financial reporting by the external auditor, RSM Chio Lim LLP; (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates relating to changes in the Catalist Rules and the Code by the Company Secretary and the continuing sponsor, SAC Capital Private Limited. Mr. Chua Ser Miang, Independent Chairman, has attended the Listed Entity Director Programme conducted by the Singapore Institute of Directors in FY2020.

Delegation by the Board

To facilitate effective management and to support the Board in discharging its duties and responsibilities efficiently and effectively, certain functions of the Board have been delegated to various Board committees, namely the Audit Committee (the "**AC**"), Nominating Committee (the "**NC**") and Remuneration Committee (the "**RC**") (collectively the "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis taking into consideration the changes in the governance and legal environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Board acknowledges that while the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The composition of the Board and Board Committees is set out below:

	Board	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Mr. Chua Ser Miang	Chairman	Chairman	Member	Member
Professor Chew Chong Yin @ Chew Chong Lin	Member	Member	Member	Chairman
Mr. Lin Ming Khin	Member	Member	Chairman	Member
Dr. Shao Yongxin	Member	–	–	–
Mr. San Yi Leong @ Tan Yi Leong	Member	–	–	–
Mr. Vitters Sim Yu Xiong	Member	–	–	–

Board Meetings and Attendance

The Board has scheduled to meet at least two (2) times a year and to coincide such meetings with the review and approval of the Group's results announcements. The Board meets on a regular basis as well as ad-hoc meetings, if warranted by circumstances deemed appropriate by the Board. Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of each company. At those meetings, the Board reviewed the Group's financial performance, annual budget, corporate strategy, business plans, potential acquisitions, risk management policies and significant operational matters. The number of Board and Board Committees meetings held during FY2020 and the attendance of each Director, where relevant, are as follows:

Name of Directors \ No. of Meetings held	Board	Audit Committee	Nominating Committee	Remuneration Committee
	2	2	1	1
	No. of Meetings attended			
Mr. Chua Ser Miang	2	2	1	1
Dr. Shao Yongxin	2	2*	1*	1*
Mr. San Yi Leong @ Tan Yi Leong	2	2*	1*	1*
Mr. Vitters Sim Yu Xiong	2	2*	1*	1*
Professor Chew Chong Yin @ Chew Chong Lin	2	2	1	1
Mr. Lin Ming Khin	2	2	1	1

*By Invitation

The Company's Constitution provides for Directors to participate in meetings of Directors by means of conference telephone, video conferencing, audio visual, or other similar communication equipment by means of which all persons participating in the meeting can hear and be heard by each other, without a Director being in the physical presence of the other Directors. The Board and Board Committees also make decisions through circulation of written resolutions.

Access to Information

The Directors have separate and independent access to the Management and the Company Secretary at all times. The Board is informed of all material events and transactions as and when they occur, and provided with complete, adequate and timely information so as to enable them to make informed decisions to discharge their duties and responsibilities. Requests for information from the Board are dealt with promptly by the Management. The Management provides the Board with half-yearly reports of the Company's performance. The Management also consults with Board members regularly whenever necessary and/or appropriate. The Board is issued with board papers in a timely fashion prior to Board and Board Committees meetings.

The Company has also adopted initiatives to ensure that the Directors are supported by accurate and timely information and have unrestricted access to the Management. These initiatives include informal meetings for the Management to brief the Directors on potential deals and strategies at an early stage and to circulate relevant information on various business initiatives. During FY2020, the Directors communicate regularly with the Group Chief Executive Officer and the key management personnel in People's Republic of China ("**PRC**") and Singapore via videos conferencing given the COVID-19 pandemic where travel restrictions are imposed.

The Company Secretary or her representative, attends and prepares minutes of all Board and Board Committees meetings. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and regularly reviewed so that the Board functions effectively and the Company's Constitution and the relevant rules and regulations applicable to the Company are complied with. The appointment and removal of the Company Secretary is a matter decided by the Board as a whole.

The Board in fulfilling its responsibilities can, as a group or individually, when deemed fit, direct the Company to appoint professional advisers to render professional advice at the Company's expense.

Board Composition and Guidance

Principle 2 The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition and Diversity

The Board comprises six (6) Directors, comprising two (2) Executive Directors; three (3) Independent Non-Executive Directors; and one (1) Non-Independent Non-Executive Director. There is an appropriate mix of core competencies and diversity of experience to direct and lead the Company. There is a good balance between the Executive and Non-Executive Directors, with a strong and independent element on the Board. As at the date of this report, the Board comprises the following members:

Mr. Chua Ser Miang	(Non-Executive Chairman and Independent Director)
Dr. Shao Yongxin	(Executive Director and Chief Executive Officer ("**Group CEO**"))
Mr. San Yi Leong @ Tan Yi Leong	(Executive Director and Deputy CEO)
Mr. Vitters Sim Yu Xiong	(Non-Executive Director)
Professor Chew Chong Yin @ Chew Chong Lin	(Independent Director)
Mr. Lin Ming Khin	(Independent Director)

The Board considers its current Board size appropriate for the facilitation of decision making, taking into account the nature and scope of operations of the Group. The make-up of our Board reflects diversity of gender, age, skills and knowledge. The Board comprises Directors with strong industry knowledge and diversified background such as legal and accounting, and who collectively bring with them a wide range of experience. The Board is also of the view that the Board comprises persons who as a group provide capabilities required for the Board to be effective. Members of the Board are regularly in touch with the Management to provide advice and guidance on matters for which their expertise will be constructive to the Group.

Currently, the Company does not have a Board diversity policy as provided by Provision 2.4 of the Code, but the Board conducts an annual review to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board. This enables the Board to maintain or enhance balance and diversity within the Board. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. Accordingly, the Board is of the view that its current practices are consistent with the aim of Principle 2 of the Code.

Non-Executive Directors

Currently, Non-Executive Directors (including Independent Directors) make up majority of the Board. The Non-Executive Directors exercise no management functions in the Company or any of its subsidiaries. Although all the Directors are equally responsible for the performance of the Group, the role of the Non-Executive Directors are important to ensure that the strategies proposed by the Management are fully discussed and examined by taking into account the long-term interests of shareholders, employees, customers, suppliers and the various communities in which the Group conducts its business. The Non-Executive Directors will constructively challenge and assist in developing the Group's strategic process, reviewing the performance of the Management in meeting agreed goals and objectives, and in monitoring the reporting of performance.

To facilitate a more effective check on management, the Non-Executive Directors (including the Independent Directors) led by the Independent Chairman will, when necessary, meet in the absence of Management to discuss concerns or matters such as overall Group business strategic and investments. The Independent Chairman will provide feedback of such meetings to the Board as appropriate.

Independence of Independent Directors

Each of the Independent Directors has completed an independent director's declaration form and confirmed his independence. The independence of each Director has been and will be reviewed on an annual basis and as and when the circumstances require, by the NC, with reference to the guidelines as set out in the Code. Rigorous review will also be conducted by the NC when assessing the continued independence of a Director who has served for more than nine (9) years from the date of first appointment. None of the Independent Directors have served for more than nine (9) years from the date of their appointments.

Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules also stipulate that a director will not be independent if he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer. In this regard, each of the Independent Directors has confirmed that they and their respective associates do and did not have any employment relationships with the Company.

The NC has determined that the Independent Directors are independent in accordance with the Code. The Independent Non-Executive Directors, Mr. Chua Ser Miang, Professor Chew Chong Yin @ Chew Chong Lin, Mr. Lin Ming Khin have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. After taking into account the views of the NC, the Board is satisfied that each Independent Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could affect, each Independent Director's judgement. The Board is of the view that there is a good balance between the Executive and Non-Executive Directors, and there is a strong and independent element on the Board.

Mr. Chua Ser Miang is the Independent Chairman of the Company. In view of the fact that the Chairman is an Independent Director, Provision 2.2 of the Code, where Independent Directors should make up majority of the Board, is not applicable. Rule 406(3)(c) of the Catalist Rules, which requires independent directors to make up at least one-third of the Board, will come into effect on 1 January 2022. Prior to which, the corresponding guideline 2.1 of the 2012 Code of Corporate Governance, requiring independent directors to make up at least one-third of the Board will continue to apply. With the Board comprising six (6) Directors, three (3) of whom are independent and one (1) of whom is non-executive and non-independent, the composition of the Board complies with the recommendation under the Code that Independent Directors make up at least one-third of the Board.

The profiles of the Directors are set out in the section entitled "Board of Directors" of this Annual Report.

Chairman and Chief Executive Officer

Principle 3 There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and the CEO are separate persons, and there is a clear division of responsibilities between the Chairman and the CEO, which ensures an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. Mr. Chua Ser Miang, the Independent Chairman, and Dr. Shao Yongxin, the Group CEO, are not related to each other.

The Group CEO is responsible for the business management and day-to-day operations of the Company. He takes a leading role in developing and expanding the businesses of the Group including making major business and finance decisions. He also oversees the execution of the Company's corporate and business strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Company's businesses.

The Independent Chairman leads the Board discussion and ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He chairs the Board meetings and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues, and promotes a culture of openness and debate at the Board. He also assists in ensuring compliance with the Group's guidelines on corporate governance. He encourages constructive relations within the Board and between the Board and the Management, and ensures effective communications between the Company and its shareholders. The Independent Chairman is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

The Board has not appointed a Lead Independent Director as the roles of the Chairman and CEO are distinctly separate. The Independent Chairman is not part of executive management and is an Independent Director; the Board has a strong element of independence with three (3) out of six (6) Directors being independent; and the Board's discussions are open and frank. The Board will review the need for a Lead Independent Director as part of its continuous assessment of corporate governance best practices.

Board Membership

Principle 4 The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

All NC members are Independent Directors, all of whom are independent of the Management. The NC comprises the following members:

Mr. Lin Ming Khin	(Chairman)
Professor Chew Chong Yin @ Chew Chong Lin	(Member)
Mr. Chua Ser Miang	(Member)

The NC meets at least once a year. The principal functions of the NC under its term of reference include, but are not limited to, the following:

(a) recommending to the Board on all board appointments, including re-nominations of existing Directors for re-election in accordance with the Constitution of the Company, having regard to the Director's contribution and performance;

(b) determining on an annual basis whether or not a Director is independent;

(c) deciding whether the Director is able to and has been adequately carrying out his/her duties particularly when he/she has multiple board representations;

(d) implementing a process for evaluation and assessing the performance of the Board, the Board Committees and contribution of each Director to the effectiveness of the Board;

(e) reviewing and approving any new employment of related persons and their proposed terms of employment;

(f) reviewing and recommending to the Board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel; and

(g) the review of training and professional development programs for the Board.

Review of Independence of Independent Directors

The NC determines annually, and as and when circumstances require, the independence of the Independent Directors, where the criteria of independence are based on the definition given in the Catalist Rules and the Code. The Independent Directors shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. Under Provision 2.1 of the Code, the NC has reviewed the independence of each Independent Director and is of the view that Mr. Chua Ser Miang, Professor Chew Chong Yin @ Chew Chong Lin and Mr. Lin Ming Khin are independent and are able to exercise judgment on the corporate affairs of the Group independently of the Management. There are no relationships between the Independent Directors with the Company, its related corporations, its substantial shareholders or its officers, which may affect their independence.

Multiple Board Representations and Other Principal Commitments

The NC reviews and determines annually whether Directors who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC takes into consideration the contributions of the individual Director and his actual conduct on the Board, in making this assessment.

For the period under review, the NC was satisfied that, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out, his duties as a Director of the Company. As the time requirement of each Director is subjective, the NC has decided not to fix a maximum limit on the number of directorships a Director can hold. The NC is of the view that the multiple board representations held presently by its Directors do not impede their respective performance in carrying out their duties for the Company. Based on the Directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2020.

Selection, Appointment and Re-appointment of Directors

The NC has in place policies and procedures for the selection, appointment and re-appointment of Directors to the Board, including a search and nomination process. Candidates will be first sourced through an extensive network of contacts and selected based on, *inter alia*, the needs of the Group and the relevant expertise required. Where necessary, the NC will engage recruitment consultants or engage other independent experts to undertake research on, or assess candidates for new positions on the Board. New Directors are appointed by way of a Directors' resolution, after the NC has reviewed and nominated them by taking into consideration the qualification and experience of each candidate. The new Director's independence, expertise, background and skills will be considered before the Board makes its final decision on the appointment. For re-appointment of Directors to the Board, the Board will take into consideration, amongst others, the Director's integrity, competencies, independence, commitment, contribution and performance (such as attendance, participation, preparedness and candour). The Company's Constitution has stated clearly the procedures for the appointment of new Directors, re-election and removal of Directors.

The Board provides for appointment of alternate director only in exceptional cases such as when a director has a medical emergency. The Board will take into consideration the same criteria for selection of directors such as his qualifications, competencies, and independence. Currently, the Company does not have alternate directors.

In accordance with the Company's Constitution, one-third (1/3) of the Directors are required to retire by rotation and shall be eligible for re-election at every AGM of the Company. Further, all Directors are required to retire from office at least once every three (3) years and such Directors will be eligible for re-election at the meeting at which he retires. Director(s) appointed by the Board during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at that AGM. Each member of the NC shall abstain from voting on any resolution in respect of his appointment or re-appointment as a Director of the Company.

The Board has accepted NC's recommendation to seek shareholders' approval to re-elect Dr. Shao Yongxin at the forthcoming AGM and noted that Mr. Vitters Sim Yu Xiong is also due to retire at the AGM but he has decided not to seek for re-election thereat. Dr. Shao Yongxin will, upon re-election as a Director, remain as Executive Director and Group CEO of the Company.

The NC has recommended that Dr. Shao Yongxin be nominated for re-election at the forthcoming AGM of the Company. In making the above recommendation, the NC has considered the Director's overall contributions and performance, and the Board has accepted the NC's recommendation. Dr. Shao Yongxin had abstained from the Board's deliberation in respect of the acceptance of the NC's recommendation of his re-election as a Director of the Company.

Key information for each Director, including their present and past five (5) years' directorship(s) and other principal commitments, is disclosed in their profile as set out in the section entitled "Board of Directors" of this Annual Report. The Company has procured the undertakings from all the Directors in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules. In addition, pursuant to Rule 720(5) of the Catalist Rules, the additional information as set out in Appendix 7F of the Catalist Rules relating to the retiring Director, Dr. Shao Yongxin, who is submitting himself for re-election is disclosed in the section entitled "Board of Directors" of this Annual Report. Dr. Shao Yongxin has also responded negative to items (a) to (k) listed in Appendix 7F of the Catalist Rules.

Board Performance

Principle 5 The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has established processes to be carried out by the NC, for monitoring and evaluating the performance of the Board as a whole and the Board Committees, and the effectiveness and contribution of each individual Director. The Board has not engaged any external facilitator in conducting the assessment of the Board's performance and the performance of individual Directors. Where relevant, the NC will consider such engagement.

The NC examines the performance of the Board as a whole and the Board Committees, covering areas including, amongst others, the size and composition of the Board, the Board's access to information, Board processes and accountability annually. The NC reviews and evaluate the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole. The NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's businesses, the scope of operations, as well as changing regulatory requirements from time to time.

For the evaluation process, the Directors will complete a board evaluation questionnaire which seeks to assess the effectiveness of the Board and the Board Committees. The results are then collated by the Company Secretary who will submit to the NC Chairman in the form of a report. The report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board and/or the Board Committees.

The contribution of each individual Director to the effectiveness of the Board is assessed individually and reviewed by the NC Chairman. The assessment criteria include, *inter alia*, Director's attendance, commitment of time, candour, participation, knowledge and abilities, teamwork and overall effectiveness. The performance of each Director will be taken into account in their re-election or re-appointment.

The NC, having reviewed the overall performance of the Board and the Board Committees in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the Board Committees and each individual Director has been satisfactory for the period under review.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

All RC members are Independent Directors. The RC comprises the following members:

Professor Chew Chong Yin @ Chew Chong Lin	(Chairman)
Mr. Chua Ser Miang	(Member)
Mr. Lin Ming Khin	(Member)

The RC meets at least once a year. The principal functions of the RC under its term of reference include, but are not limited to, the following:

(a) to recommend to the Board a framework of remuneration for the Board and key management personnel, determine specific remuneration packages for each Executive Director and submit such recommendations for endorsement by the entire Board covering all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) to perform annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities which include review and approve any bonuses, pay increases and/or promotions for these employees;

(c) to review and recommend to the Board the terms of renewal for those Executive Directors whose current employment contracts will expire or have expired;

(d) to recommend the remuneration of Non-Executive Directors appropriate for the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors; and

(e) to consider the various disclosure requirements for Director's and senior management's remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

In discharging its duties, the RC will review and make recommendations on the specific remuneration packages for the Directors and key management personnel. The recommendations of the RC will be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind, will be covered by the RC.

Where applicable, the RC will also review annually the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review and voting on any resolution in relation to the remuneration package of that employee related to them.

Each member of the RC shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of his remuneration package.

The RC may from time to time, and where required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. If external consultants are appointed, the RC will ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. The expense of such services shall be borne by the Company. The RC did not seek the service of an external remuneration consultant in FY2020.

Level and Mix of Remuneration

Principle 7 The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key management personnel. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performance executives so as to drive the Group's businesses to greater growth, efficiency and profitability.

The RC seeks to ensure that the level and mix of remuneration of Executive Directors and key management personnel is competitive, relevant and appropriate in linking awards with corporate and individual performance and that the amount and mix of compensation is aligned with the interests of shareholders and promotes the long-term success of the Group.

The Company has entered into a fixed-term service agreement with the Executive Director and Group CEO, Dr. Shao Yongxin. The service agreement is valid for an initial term of five (5) years from the date of the listing of the Company on the Catalist of the SGX-ST. Upon the expiry of the initial period of five (5) years, the employment of Dr. Shao Yongxin shall be automatically extended for one (1) year thereafter unless terminated in accordance with the service agreement. Based on terms stipulated in Dr. Shao Yongxin's service agreement as disclosed in the Company's offer document dated 18 April 2017, he is entitled to receive a monthly service fee equal to 35.0% of the monthly net sales revenue (being the total professional fees charged to and paid by the patients attended to by Dr. Shao Yongxin, less all costs, allowances, discounts, laboratory fees, sale of dental products, applicable taxes and other deductions as per the accounting policy of the Company), and an annual variable discretionary bonus as recommended by the NC, subject to Dr. Shao Yongxin's performance.

The Company has entered into an employment contract with the Executive Director and Group Deputy CEO, Mr. San Yi Leong @ Tan Yi Leong. Mr. San has not entered into a service agreement with the Company. Mr. San is subject to a 3-month notice for termination of employment contract and entitled to a fixed one-month bonus. Any adjustments to his remuneration package and variable bonus are subject to RC's approval.

Please refer to Principle 8 for more details on Dr. Shao Yongxin and Mr. San remuneration for FY2020.

The review of the remuneration of the Executive Directors and key management personnel takes into consideration the performance and the contributions of the Executive Directors and key management personnel to the Company and/or the Group and gives due regard to the financial and business performance of the Group. The Group seeks to offer competitive level of remuneration to attract/motivate and retain senior management of the required competency to run the Group successfully.

The Executive Directors do not receive any Directors' fees. The remuneration of the Executive Directors and key management personnel comprise primarily a basic salary component and a variance component which is inclusive of bonuses and other benefits

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and comparable companies and the broad guidelines recommended by the Singapore Institute of Directors. The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the effort, time spent, contribution and responsibilities of the Non-Executive Directors. All revisions to the remuneration packages for the Directors and key management personnel are subject to the review by and approval of the Board.

The Non-Executive and Independent Directors receive Directors' fees in accordance with their representation and contributions on the Board and various Board Committees, taking into account factors such as effort and time spent, as well as the general corporate responsibilities, risks and obligations of the Directors. No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him.

The Company will submit the quantum of Directors' fees to the shareholders for approval at the AGM annually. The Board concurred with the RC that the proposed directors' fees for FY2020 is appropriate and not excessive, taking into consideration the level of contributions by the Directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors.

There are no termination, retirement and post-employment benefits that may be granted to the Directors and key management personnel of the Group. The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional cases of wrongdoings. The RC will review such contractual provision as and when necessary.

Disclosure on Remuneration

Principle 8 The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The compensation packages for employees including the Executive Directors and the key management personnel comprise a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance and the performance of the Group and industry practices.

A breakdown showing the level and mix of each individual Director's remuneration payable for FY2020 is as follows:

	Remuneration Band [1]	Salary	Bonus	Benefits [2]	Directors' Fees [3]	Total
Name		**%**	**%**	**%**	**%**	**%**
Mr. Chua Ser Miang	A	–	–	–	100	100
Dr. Shao Yongxin [4]	A	92	–	8	–	100
Mr. San Yi Leong @ Tan Yi Leong	A	86	7	7	–	100
Mr. Vitters Sim Yu Xiong	A	–	–	–	100	100
Professor Chew Chong Yin @ Chew Chong Lin	A	–	–	–	100	100
Mr. Lin Ming Khin	A	–	–	–	100	100

Notes:

1. Band A: Below S$250,000
2. Benefits refer to mainly employer's contribution to the Central Provident Fund or equivalent.
3. The Directors' Fees are subject to approval by shareholders at the forthcoming AGM.
4. For FY2020, Dr. Shao Yongxin did not receive any monthly service fees as stipulated in his service agreement, and had only received a fixed salary, as well as remuneration pursuant to his employment contract in the PRC as per his service agreement.

As at the date of this report, the Group only has four (4) key management personnel who are not Directors or the CEO. For FY2020, the aggregate remuneration paid to all the key management personnel of the Group amounted to approximately S$371,000. The details of remuneration of the key management personnel is set out below:

Name	Remuneration Band [1]	Salary %	Bonus %	Benefits [2] %	Total %
Ms. Wan Sin Nee	A	81	7	12	100
Dr. Bai Yi	A	100	–	–	100
Mr. Zhang Dong Wei	A	89	–	11	100
Mr. Cui Guo An	A	70	17	13	100

Notes:

1. Band A: Below S$250,000
2. Benefits refer to mainly employer's contribution to the Central Provident Fund or equivalent.

The details of the remuneration of employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the CEO or a substantial shareholder of the Company, are set out as follows:

Name	Remuneration Band [1]	Salary %	Bonus %	Benefits [2] %	Total %
Mdm Shao Li Hua [3]	A	100	–	–	100
Mr. San Yi Leong @ Tan Yi Leong [4]	C	86	7	7	100

Notes:

1. Band A: Below S$100,000
   Band B: S$100,000 and above but below S$200,000
   Band C: S$200,000 and above but below S$300,000
2. Benefits refer to mainly employer's contribution to the Central Provident Fund or equivalent.
3. Mdm Shao Li Hua, Deputy Admin Manager of the Group, is the sister of the Executive Director and Group CEO, Dr. Shao Yongxin.
4. Mr. San Yi Leong @ Tan Yi Leong, Executive Director and Deputy CEO of the Group, is the brother-in-law of Dr. Ng Chin Siau, the Executive Director and Group CEO of Q & M Dental Group (Singapore) Limited, a controlling shareholder of the Company.

Save as disclosed, there are no employees who are immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 during the year.

Provision 8.1 of the Code stipulates that the Company should disclose the names, amounts and breakdown of remuneration of each individual director and the CEO. However, to maintain confidentiality on the remuneration policies of the Company and for competitive reasons, the Board is of the view that it is in the best interests of the Company to keep the disclosure of remuneration of each individual Director and key management personnel in remuneration bands of S$250,000.

The Board has sought to link the quantum of salary to the current market for the Executive Directors and key management personnel taking into consideration their respective roles and responsibilities. Bonuses are paid based on the individual performances and the performance of the Company as a whole. The remuneration of the Company's top four (4) key management personnel takes into account the pay and employment conditions within the industry and is performance-related.

All Directors and the key management personnel are remunerated on an earned basis and there was no termination, retirement and post-employment benefits granted during FY2020.

The Company has adopted the Aoxin Q & M Employee Share Option Scheme and Aoxin Q & M Performance Share Plan (collectively, the "**Schemes**") that were approved by shareholders at the extraordinary general meeting ("**EGM**") held on 9 January 2019, to align itself with and embrace local trends and best practices in employee compensation and retention. The Schemes aim to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The Schemes are administered by the RC. Please refer to the section entitled "Directors' Statement" of this annual report for more information on the Schemes.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board oversees the Management in the area of risk management and internal control system. The Board regularly reviews and improves the Company's business and operational activities to identify areas of significant risks as well as take appropriate measures to control and mitigate these risks.

It is the opinion of the Board that, in the absence of evidence to the contrary, the system of internal controls maintained by the Management that was in place throughout the financial year and up to the date of this report provides reasonable, but not absolute, assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance risks.

The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities.

The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The Company has appointed Nexia TS Risk Advisory Pte Ltd ("**Nexia TS**") as the internal auditors to review the internal control processes of the Group. Nexia TS is a company of Nexia TS Public Accounting Corporation, which is recognised as an established mid-tier accounting firm for more than 25 years. Nexia TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team assigned comprises of three (3) members and is led by Ms Pamela Chen who has more than 14 years performing audits for listed companies. The primary reporting line of the internal auditors is to the AC. The AC also decides on the appointment, termination and remuneration of the internal auditors.

Based on the work performed by Nexia TS, the Board is satisfied with the Company's levels of risk tolerance and risk policies, and overseen the Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has also received assurance from the Group CEO, Deputy CEO and the Financial Controller ("**FC**") that (a) the financial records have been properly maintained, the financial statements give a true and fair view of the Company's operations and finances, and (b) the Company's risk management and internal control systems are adequate and effective.

Based on the report of the internal auditors and internal controls established and maintained by the Group, actions taken by the Management, assurances from the Group CEO, Deputy CEO and FC as well as reviews performed by the internal auditors and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risk of the Group for FY2020.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls. The Board notes that the system of internal controls is designed to manage, rather than to eliminate, the risk of failure in achieving business objectives, and that no system of risk management and internal control can provide absolute assurance against the occurrence of errors, losses, fraud or other irregularities and the containment of business risk. Nonetheless, the Board believes its responsibility of overseeing the Group's risk management framework and policies are well supported. The Board will look into the need for establishment of a separate board risk committee at the relevant time.

Audit Committee

Principle 10 The Board has an Audit Committee ("AC") which discharges its duties objectively.

Functions of the AC

The role of the AC is to assist the Board with regard to the discharge of its responsibility to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Group, and that the Management demonstrates and stimulates the necessary aspect of the Group's internal control structure among all parties.

The AC Chairman has recent and relevant accounting or related financial management expertise or experience. Notwithstanding that Provision 10.2 requires at least 2 members, including the AC Chairman to have recent and relevant accounting or related financial management expertise or experience, the Board is of the view that the current composition of the AC is in the best interests of the Company, given that there is a diverse range of relevant experience ranging from accounting, finance, legal and dentistry. Accordingly, the AC, collectively, has the relevant accounting and financial management expertise or experience to discharge the responsibilities of the AC's functions, in line with the intent of Principle 10.

All AC members are Independent Directors. The AC comprises the following members:

Mr. Chua Ser Miang	(Chairman)
Professor Chew Chong Yin @ Chew Chong Lin	(Member)
Mr. Lin Ming Khin	(Member)

The AC meets quarterly to discuss and review the following where applicable:

(a) review the audit plan of the internal auditor, scope of work, including the results of the internal auditor's review and evaluation of the Group's system of internal controls and any matters which the internal auditor may wish to discuss in the absent of management;

(b) review the audit plan of the external auditor and the result of the external auditors review and evaluation of the Group's internal accounting controls that are relevant to the statutory audit;

(c) review the periodic consolidated financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and the Catalist Rules and any other relevant statutory or regulatory requirements;

(d) review the effectiveness and adequacy of the internal control procedures addressing financial, operational, compliance and information technology control risks, and ensure coordination between the internal and external auditors, and the Management, reviewing the assistance given by the Management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);

(e) review and discuss with external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

(f) make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(g) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;

(h) review any potential conflict of interests, including reviewing and considering transactions in which there may be potential conflicts of interest between the Group and its interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transaction;

(i) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(j) review the Company's key financial risk areas, with a view to providing an independent oversight on the Company's financial reporting. The outcome of these reviews will be disclosed in the annual report of the Company or where the findings are material, immediately announced via SGXNet;

(k) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time;

(l) review and approve all hedging policies and instruments (if any) to be implemented by the Group;

(m) review the significant financial reporting issues and judgements with the FC and the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(n) review the adequacy, effectiveness, scope and results of the audit, cost effectiveness, the independence and objectivity of the external auditors and internal auditors annually. Where the auditors also supply a substantial volume of non-audit services to the Company, the nature and extent of such services should be reviewed in order to balance the maintenance of objectivity and value for money;

(o) ensure that the internal auditors' primary line of reporting is to the AC Chairman although he would also report administratively to the CEO. The internal auditor should meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors;

(p) review and reporting to the Board at least annually on the effectiveness and adequacy of the Group's risk management and internal controls systems in addressing the financial, operational, compliance and information technology controls via reviews carried out by the internal auditors;

(q) investigate any matter within its terms of reference, having full access to and co-operation from the Management and full discretion to invite any Executive Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(r) review and monitor the measures the Group has put in place in respect of the legal representatives of the subsidiaries in the PRC; and

(s) review the policy and arrangements for employees to raise concerns about possible improprieties in financial reporting or any other matters to be safely raised, independently investigated and appropriately followed up on, and reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith.

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice, if it deems necessary, in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation from the Management and has full discretion to invite any Executive Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also meets with the internal and external auditors without the presence of the Management at least once a year to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems.

External Auditors

During the financial year under review, the Company has incurred an aggregate fees of S$211,000 paid to the external auditor and its alliance firm for its audit services, and has incurred an aggregate fees of S$7,000 paid to the external auditor for its other non-audit professional services. The AC, having reviewed the range and value of non-audit services performed by the external auditor, RSM Chio Lim LLP, was satisfied that the nature and extent of such services has not prejudiced the independence and objectivity of external auditor.

The Company confirms that it has complied with Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of its external auditor. The Board and Audit Committee has approved the nomination of RSM Chio Lim LLP for re-appointment as the external auditor of the Company at the forthcoming AGM.

No former partner or director of the Company's existing external auditor has acted as a member of the Company's AC: (a) within a period of two (2) years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for as long as he/she has any financial interest auditing firm or auditing corporation.

Internal Audit

The Company's internal audit function is outsourced to Nexia TS that reports directly to the AC Chairman. The Board is of the view that the outsourcing of the internal audit function had deliver enhanced independence as well as improve the quality of the audit as the IA is adequately qualified and equipped with a broad range of expertise with advanced degrees and technological specialisation to discharge its duties effectively.

The Board recognises that it is responsible for maintaining robust internal controls to safeguard shareholders' investment and the Company's business and assets. The AC approves the hiring, removal, evaluation and compensation of the internal auditors and reviews and approves the internal audit's plan during the AC meeting for each financial year. The AC also ensures that the internal auditors have unfettered access to all the Company's documents, records, properties and personnel including access to the AC.

The primary functions of internal audit are to:

(a) assess if adequate and effective systems of internal controls are in place to protect the funds and assets of the Company and to ensure control procedures are complied with;

(b) conduct regular in-depth audits of high-risk areas; and

(c) identify and recommend improvement to internal control procedures, where required.

The AC will review on an annual basis the adequacy and effectiveness of the internal audit function. The AC is of the view that the outsourced internal audit function is independent, effective, adequately resourced, has appropriate standing within the Company and is staffed with persons with the relevant qualifications and experience, and in performing their work, the internal auditors use the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors as a reference and guide.

The AC has reviewed the internal control procedures performed and noted the following material internal control weaknesses:

(a) There was inadequate documentation on the basis of appointing a distributor and the basis of rates charged to the distributor by a subsidiary of the Group,

(b) There was inadequate documentation on some payments made to a supplier at one of the Group's subsidiaries.

To address the internal control weaknesses, the Company, has taken the following courses of action:

i. Immediate implementation of a documentation and reporting process on sales to the distributor and to report to the CEO accordingly. The Company will continue to assess the commercial benefits of the appointment of the distributor and the terms of such appointment and make appropriate commercial decisions as and when appropriate.

ii. Ensure that all payments to any supplier are made with adequate supporting documents and where supporting documents are not available, the reason will be documented clearly and submitted to the Head of Procurement Department for approval.

The Management is committed and has taken steps to remediate the above identified material internal control weaknesses and will continue to review and evaluate the Group's internal controls. In addition, the AC will continue to engage Nexia TS to conduct a follow-up review of the material internal control weaknesses.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing policy to provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting or other matters. The objective for such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. All complaints or information would be forwarded to the AC Chairman or the FC of the Company, where appropriate. The whistle-blowing policy can also be found at the Company's website at http://www.aoxinqm.com.sg.

There was no reported incident pertaining to whistle-blowing during FY2020 and until the date of this Annual Report.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information that present a balanced and understandable assessment of the Company's performance, position and prospects and to ensure full disclosure of material information to shareholders in compliance with statutory requirements and the Catalist Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the legally prescribed periods.

Shareholders are encouraged to attend the AGM and EGM to ensure a high level of accountability and to stay apprised of the Company's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Any notice of general meeting is issued at least 14 clear days before the scheduled date of such meeting. Notice of the general meetings will be advertised in newspapers and announced on SGXNet.

All shareholders who are not relevant intermediaries can appoint up to two (2) proxies during his/her absence to attend, speak and vote in general meeting in compliance with Companies Act, Chapter 50 of Singapore. Shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings.

Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent. This is not in line with Provision 11.4 of the Code, where the Company's Constitution should allow for absentia voting at general meeting of shareholders. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia.

The Company ensures that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. The Chairman briefs the shareholders on the rules, including voting procedures, that govern general meetings of shareholders and addresses any queries that they may have on the procedures. The Company ensures that there are separate resolutions at general meetings on each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. In situations where resolutions are "bundled", the Company will provide clear explanations on the reasons and material implications in the notice of meeting. All resolutions are put to vote by poll in the presence of independent scrutineers, and the voting results will be announced via SGXNet after the conclusion of the general meeting.

The Company's general meetings (AGM and/or EGM where applicable), are the principal forums for dialogue with shareholders. The Chairman of the AC, RC and NC as well as the Board will be present and available at the Company's AGMs and EGMs to address questions from shareholders. The external auditors will also be present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. All of the Directors were present via electronic means at the previous AGM of the Company held on 29 June 2020.

The proceedings of the general meeting will be properly recorded. The Company Secretary prepares minutes of AGM that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. These minutes are published on its corporate website as soon as practicable within one (1) month from the date of AGM.

In view of the current COVID-19 situation, the forthcoming AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the notice of AGM ("**Notice**") will not be sent to members. Instead, the Notice will be sent to shareholders by electronic means via publication on the Company's website. The Notice will also be made available on the SGX's website. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the chairman of the meeting as proxy at the AGM, will be put in place for the AGM to be held in April 2021.

The Board notes that Provision 11.6 of the Code sets out that the company should have a dividend policy and communicates it to shareholders. However, the Company does not have a formal dividend policy. Nonetheless, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and such practice is consistent with the intent of Principle 11 of the Code. Additionally, the Company also discloses the reasons for the decision of the Board not to declare or recommend a dividend, together with the announcement of the financial statements, which is in line with Rule 704(23) of the Catalist Rules.

The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. Any dividend payouts are clearly communicated to shareholders via announcements on the SGXNet when the Company discloses its financial results. For FY2020, the Board has not declared or recommended any dividend as the Group has decided to conserve cash for working capital needs.

Engagement with Shareholders

Principle 12 The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company does not practise selective disclosure. In line with the continuous obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Company. Price-sensitive and trade-sensitive information is publicly disclosed on an immediate basis where required under the Catalist Rules. Material information on the Group will be released to the public through the Company's announcements via SGXNet.

The Group has adopted financial reporting on a half-yearly basis and financial statements results announcements of the Group will be released within 45 days from the end of the Group's half-year period, and 60 days from the full financial year end.

Information is disseminated to shareholders on a timely basis through:

- Announcements and news releases on SGXNet;
- Annual report and circulars prepared and issued to all shareholders;
- Notices of shareholders' meetings are published on the Company's website and announced via SGXNet.

Communication with shareholders is managed by the Board. The Company is committed to regular and proactive communication with its shareholders. Price-sensitive and trade-sensitive information is first publicly released before the Company meets with any group of investors or analysts.

The Group has specifically entrusted an investor relations team comprising the Executive Directors and the FC with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. Shareholders may contact the investor relations team at qnm@aoxin.sg or +65 6235 1188 with questions, through which the investor relations team may respond to such questions.

The Company currently does not have an Investor Relation Policy as set out under Provision 12.2 of the Code. The Company will assess the need to have such a policy should the need arises. The Company's current practices allow for an ongoing exchange of views, and are able to engage with shareholders for effective communication, in line with the intent of Principle 12.

All shareholders are accorded their rights in accordance with the Companies Act, Chapter 50 of Singapore and the Company's Constitution.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate and vote at the Company's general meeting. These meetings provide excellent opportunities for the Company to obtain shareholders' view on value creation.

The Company will review its Constitution from time to time and make such amendments to the Constitution to be in line with the applicable requirements or rules and regulations governing the continuing listing obligations of the Catalist Rules.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13 The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company's key stakeholders are those who most materially impact the Company's strategy or are directly impacted by it. They comprise the Company's shareholders, customers, employees, community and regulators. Engagement with stakeholders provides the Company with an understanding of the matters they are most concerned with. These matters help to define the Company's strategic priorities and guide the Company's initiatives. The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services standards, as well as to sustain business operations for long-term growth.

Our stakeholder issues and engagement platforms are detailed below:

Our Group's senior management periodically assesses focus areas where our Group can have the greatest economic, environmental and social impact, as well as areas that are most important to our stakeholders. Our Group has made efforts to seek the opinions of many stakeholders either through informal or formal means. We evaluate the needs and expectations of our key stakeholder groups which are significant to our Group's value creation strategy and strive to build mutually beneficial relationships.

In Aoxin, we recognise the importance of a meaningful two-way engagement with our key stakeholders to understand their interests, expectations and also addressing the economic and Environmental, Social and Governance ("**ESG**") topics that are material to our business and stakeholders, whilst taking into account any pivotal developments within this industry. We have made conscious efforts to seek the opinions of our stakeholders through formal and informal engagements as well as establishing an internal review process to integrate stakeholder feedback with our corporate strategies.

The Company's corporate website at http://www.aoxinqm.com.sg also provides updated information to its stakeholders on its latest financial results and corporate developments. The website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

MATERIAL CONTRACTS
Rule 1204(8) of the Catalist Rules

Save for the service agreements entered into with the Group CEO, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Group CEO, any Director, or controlling shareholder either subsisting at the end of the financial year reported on or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS
Rule 907 of the Catalist Rules

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The AC reviewed the rationale for the terms of the Group's interested person transactions and is of the view that the interested person transactions are entered on normal commercial terms and not prejudicial to the interest of shareholders.

No general mandate has been obtained from shareholders in respect of interested person transactions for FY2020. Particulars of the interested person transactions for FY2020, disclosed in accordance with Rule 907 of the Catalist Rules 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$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) S$'000	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$100,000) S$'000
Mdm Shao Li Hua - Rental of premises at Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. and Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd.	Mdm Shao Li Hua is the sister of the Executive Director and Group CEO, Dr. Shao Yongxin.	142	NIL

DEALING IN SECURITIES
Rule 1204(19) of the Catalist Rules

In compliance with Rule 1204(19) of the Catalist Rules, the Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to Directors, executive officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company has advised Directors, executive officers and any other persons as determined by the Management who may possess unpublished material price-sensitive and/or trade-sensitive information of the Group, not to deal in the Company's shares during the period commencing two (2) weeks prior to the announcement of the Company's quarterly business updates (if applicable) and one (1) month prior to the announcement of the half-year and full-year results, as the case may be, and ending on the date of the announcement of the relevant updates or results.

The Company has reminded its Directors and officers that it is an offence under the Securities and Futures Act (Chapter 289 of Singapore) for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive and/or trade-sensitive information in relation to those securities. Directors and officers are expected and reminded to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Company has further reminded its Directors and officers not to deal in the Company's securities on short-term considerations.

NON-SPONSOR FEES
Rule 1204(21) of the Catalist Rules

There were no non-sponsor fees paid or to be paid to the Sponsor, SAC Capital Private Limited for FY2020.

SUSTAINABILITY REPORTING

This is the fourth year the Company is publishing its sustainability report and it will continue to address the activities, data and measurements, where applicable, that fall within FY2020. The Company is proud to have continued its efforts in improving the report, giving the requisite descriptive and quantitative information on how business is conducted and how its ESG factors are being managed for a sustainable future, in compliance with the Catalist Rules and Global Reporting Initiative (GRI) Sustainability Reporting Standards: Core Option. The Company will continue to demonstrate its commitment to grow its sustainable business model both as a responsible and a forward-looking corporate citizen. More information on how the Company engages with its stakeholders, as well as its approach to material topics and its overall sustainability performance, can be found in the Company's Sustainability Report 2020, which will be released by 31 May 2021.

The directors are pleased to present their statement together with the audited consolidated financial statements of Aoxin Q & M Dental Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the reporting year ended 31 December 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the reporting year ended on that date; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Shao Yongxin
San Yi Leong @ Tan Yi Leong
Lin Ming Khin
Chua Ser Miang
Professor Chew Chong Yin @ Chew Chong Lin
Vitters Sim Yu Xiong

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year were not interested in shares or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

	Direct interest		Deemed interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
The Company		Number of shares of no par value		
Shao Yongxin	–	–	109,401,709	109,401,709
Lin Ming Khin	50,000	50,000	–	–
Professor Chew Chong Yin @ Chew Chong Lin	100,000	100,000	–	–

By virtue of section 7 of the Act, Mr. Shao Yongxin is deemed to have an interest in all the related body corporates of the Company.

The directors' interests as at 21 January 2021 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. Aoxin Q & M Employee Share Option Scheme

The Company has adopted a long-term employee incentive scheme known as Aoxin Q & M Employee Share Option Scheme (the "Scheme") that was approved by its shareholders at an Extraordinary General Meeting held on 9 January 2019. The Scheme will expire on 8 January 2029.

The Scheme is administered by the ESOS Committee whose members are of the Remuneration Committee ("RC") of the Company from time to time:

Professor Chew Chong Yin @ Chew Chong Lin	(RC Chairman and Independent Director)
Chua Ser Miang	(Lead Independent Director)
Lin Ming Khin	(Independent Director)

Under the Scheme, the aggregate number of shares arising from options which the ESOS Committee may grant on any date, when added to the number of shares allotted and issued in respect of (i) all options and awards granted under the Scheme and the Aoxin Q & M Performance Share Plan, and (ii) all options or awards granted under other incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day immediately preceding the date of grant of the option.

Since the adoption of the Scheme till the date of this statement:

- No options have been granted to the controlling shareholders of the Company and their associates;
- No options were granted to the directors of the Company;
- No options have been granted to directors and employees of the parent company and its subsidiaries;
- No participant has received 5% or more of the total number of options available under the Scheme;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

On 20 January 2020, the Company granted 2,441,000 options to one of the principal dentists of Jinzhou Aoxin Youxin Dental Clinic Co., Ltd., a subsidiary of the Company, to subscribe for 2,441,000 ordinary shares of the Company at an exercise price of S$0.20 per share, which is equal to the average of the last dealt prices of the shares on the SGX-ST over the five (5) consecutive market days immediately preceding the date of grant (the "2020 Options").

The 2020 Options are exercisable one year from the date of grant and will expire on 20 January 2030. The 2020 Options may be exercised in full or in respect of 1,000 shares or a multiple thereof, on payment of the exercise price at any time after one year from the date of grant of the 2020 Options, subject to the new shares upon exercise of the 2020 Options being moratorised up to 30 September 2022.

During the reporting year, there were no options vested or cancelled under the Scheme. As at 31 December 2020, the total number of the 2020 Options that remained outstanding and unvested was 2,441,000.

6. Aoxin Q & M Performance Share Plan

The Company has adopted the Aoxin Q & M Performance Share Plan (the "Plan") that was approved by its shareholders at an Extraordinary General Meeting held on 9 January 2019. The Plan will expire on 8 January 2029.

The Plan is administered by the PSP Committee whose members are of the RC of the Company from time to time:

Professor Chew Chong Yin @ Chew Chong Lin	(RC Chairman and Independent Director)
Chua Ser Miang	(Lead Independent Director)
Lin Ming Khin	(Independent Director)

Under the Plan, the aggregate number of shares arising from awards which the PSP Committee may grant on any date, when added to the number of shares allotted and issued in respect of (i) all options and awards granted under the Scheme and the Plan, and (ii) all options or awards granted under other incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day immediately preceding the date of grant of the award.

The objective of the Plan is to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. Full-time executives (including executive directors) of the Company, its subsidiary companies or associated companies who hold such rank as may be designated by the PSP Committee from time to time and non-executive directors are eligible to participate in the Plan.

Under the Plan, performance target(s), which shall be set according to the specific roles of the participant, will be at the discretion of the PSP Committee.

On 20 January 2020, the Company granted awards in respect of 960,565 performance shares to one of the principal dentists of Anshan Lishan District Aoxin Q & M Stomatology Polyclinic Co., Ltd., a subsidiary of the Company, that will 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 2020, the total number of performance shares that remained outstanding and unvested was 960,565.

7. Audit Committee

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Chua Ser Miang	(AC Chairman)
Professor Chew Chong Yin @ Chew Chong Lin	(Member)
Lin Ming Khin	(Member)

The AC performs the functions in accordance with section 201B(5) of the Act, including the following:

- Reviewed the audit plan of the independent external auditor.
- Reviewed the independent external auditor's evaluation of the adequacy of the Company's internal accounting controls that are relevant to the statutory audit, and their report on the financial statements and the assistance given by the Group and the management to the independent external auditors.
- Reviewed the internal auditor's scope and results of the internal audit procedures (including those relating to financial, operational, information technology and compliance controls and risk management) and the assistance given by the Group and the management to the internal auditor.

7. Audit Committee (Cont'd)

- Reviewed the financial statements of the Group and of the Company prior to their submission to the board of directors of the Company for adoption.

- Reviewed the interested person transactions in accordance with the requirements of Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of the interested person transactions.

The AC convened two meetings during the year. The AC has also met with the internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

8. Directors' opinion on the adequacy and effectiveness of internal controls

Based on the report of the internal auditors and internal controls established and maintained by the Group, actions taken by the Management, assurances from the Group Chief Executive Officer ("CEO"), the Deputy CEO and the Financial Controller as well as reviews performed by the internal auditors and external auditors, the board of directors of the Company, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risk of the Group for the financial year ended 31 December 2020.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial information, as announced on 26 February 2021, which would materially affect the Group's and the Company's operating and financial performance as of the date of this statement.

On behalf of the directors

....	....
Shao Yongxin	San Yi Leong @ Tan Yi Leong
Director	Director

31 March 2021

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Aoxin Q & M Dental Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Impairment assessment on the Group's property, plant and equipment, right-of-use assets and intangible assets including goodwill, and the Company's investments in subsidiaries

Please refer to Note 2A for accounting policies on "property, plant and equipment", "right-of-use assets", "goodwill", "intangible assets" and "carrying amounts of non-financial assets", Note 2C for critical judgements, assumptions and estimation uncertainties on "assessment of impairment of goodwill", "assessment of carrying amounts of property, plant and equipment and right-of-use assets" and "assessment of impairment of subsidiaries", and Note 15A for the key assumptions used in impairment testing of property, plant and equipment, right-of-use assets, intangible assets including goodwill and investments in subsidiaries.

As at 31 December 2020, the carrying values of the Group's property, plant and equipment, right-of-use assets and intangible assets including goodwill, and the Company's investments in subsidiaries were RMB51,696,000, RMB43,780,000, RMB130,537,000 and RMB286,728,000 respectively.

The Group's property, plant and equipment, right-of-use assets and intangible assets other than goodwill, and the Company's investments in subsidiaries were subject to impairment test assessments due to losses incurred in the current and previous reporting years.

The Group's goodwill is allocated to cash-generating units ("CGUs") and tested for impairment at least annually and whenever there is an indication that it may be impaired.

Any shortfall of the recoverable amounts against the carrying value of the assets would be recognised as impairment losses.

Key audit matters (cont'd)

Impairment assessment on the Group's property, plant and equipment, right-of-use assets and intangible assets including goodwill, and the Company's investments in subsidiaries (cont'd)

Management engaged an independent external valuation expert to assist in the impairment assessment. Management applied the value-in-use method to determine the recoverable amounts of the above assets and goodwill. The value-in-use calculation requires management to estimate the future cash flows arising from the CGUs and a suitable discount rate in order to calculate present value of the recoverable amount of each CGU. Management's estimation of the future cash flows is based on the forecasted revenue, growth rates, profit margins and tax rates using presently available information.

As impairment assessment processes require management to exercise high degree of judgement and is subject to significant estimation uncertainties including the impact of the COVID-19 pandemic on the Group's business operations. Our audit procedures included, among other things, involving our valuation specialists as auditor's expert to assist us in evaluating the assumptions and methodologies used by management.

We discussed with management the process over the determination of the forecasted revenue, growth rates, profit margins, tax rates and discount rate. We assessed management's process for the selection of its appointed independent external valuation expert, including the determination of the scope of work to be performed by the expert. We evaluated the competency of the independent external valuation expert by considering the independent valuation expert's qualification and objectivity.

We, including our valuation specialists, reviewed management's estimates applied in the value-in-use calculations to arrive at the recoverable amounts of the CGUs by comparing them against historical forecasts and performance, and the growth rate of the dental patients' fee, patient numbers including the different types of dental treatment services offered by the dental centres. We also reviewed the reasonableness of the forecasted operating costs and capital expenditure. Our valuation specialists reviewed the appropriateness of management's methodology used in the impairment assessment, the reasonableness of discount rate by comparing the rate to market observable data including market and country risk premiums and any asset-specific risk premium, and tested the accuracy of the computations.

We also focused on the adequacy of the disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the assets including goodwill.

We evaluated the adequacy of the disclosures made in the financial statements.

Other matter

The financial statements for the year ended 31 December 2019 were audited by another firm of auditors whose report dated 30 April 2020 expressed an unmodified opinion on those financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Weng Keen.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2021

Engagement partner - effective from reporting year ended 31 December 2020

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

REPORTING YEAR ENDED 31 DECEMBER 2020

	Notes	2020 RMB'000	2019 RMB'000
Revenue	5	**132,561**	141,109
Interest income		**111**	129
Other income and gains	6	**3,270**	–
Consumables and dental supplies		**(13,255)**	(11,733)
Cost of dental equipment and supplies		**(34,430)**	(38,626)
Cost of laboratory services		**(3,858)**	(3,173)
Employee benefits expenses	7	**(54,497)**	(59,881)
Depreciation and amortisation expenses		**(10,928)**	(10,521)
Depreciation of right-of-use assets		**(7,133)**	(7,145)
Rental expenses		**(936)**	(1,134)
Finance costs	8	**(3,289)**	(3,210)
Impairment loss allowance on trade and other receivables	19	**(315)**	(894)
Other expenses	9	**(13,781)**	(15,614)
Other losses	6	**(5,410)**	(645)
Loss before income tax		**(11,890)**	(11,338)
Income tax expense	11	**(212)**	(2,176)
Loss, net of tax		**(12,102)**	(13,514)
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation to presentation currency		**(485)**	327
Total comprehensive loss		**(12,587)**	(13,187)
Loss, net of tax attributable to:			
Owners of the Company		**(12,101)**	(13,517)
Non-controlling interest		**(1)**	3
		(12,102)	(13,514)
Total comprehensive loss attributable to:			
Owners of the Company		**(12,586)**	(13,190)
Non-controlling interest		**(1)**	3
		(12,587)	(13,187)

	2020 RMB Cents	2019 RMB Cents
Loss per share		
- Basic	**(3.17)**	(3.54)
- Diluted	**(3.17)**	(3.54)

The accompanying notes form an integral part of these financial statements.

Statements Of Financial Position

AS AT 31 DECEMBER 2020

	Notes	Group 2020 RMB'000	Group 2019 RMB'000	Company 2020 RMB'000	Company 2019 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**51,696**	62,491	**24**	337
Right-of-use assets	14	**43,780**	50,831	**1,183**	1,446
Goodwill	15	**125,219**	126,901	**–**	–
Intangible assets	15	**5,318**	5,330	**258**	–
Investments in subsidiaries	16	**–**	–	**286,728**	302,225
Other receivables, non-current	17	**–**	–	**7,901**	10,351
Other non-financial assets, non-current	20	**249**	350	**242**	314
Deferred tax assets	11	**14**	14	**–**	–
Total non-current assets		**226,276**	245,917	**296,336**	314,673
Current assets					
Inventories	18	**10,754**	10,790	**–**	–
Income tax recoverable		**18**	1,752	**–**	–
Trade and other receivables, current	19	**27,595**	21,554	**5,083**	6,935
Other non-financial assets, current	20	**2,012**	1,635	**153**	304
Cash and cash equivalents	21	**37,912**	26,956	**16,071**	2,843
Total current assets		**78,291**	62,687	**21,307**	10,082
Total assets		**304,567**	308,604	**317,643**	324,755
EQUITY AND LIABILITIES					
Equity					
Share capital	22	**295,356**	295,356	**295,356**	295,356
Accumulated losses		**(16,832)**	(4,205)	**(11,819)**	(8,519)
Other reserves (adverse balance)	23	**(55,181)**	(56,973)	**12,887**	25,457
Equity attributable to owners of the Company		**223,343**	234,178	**296,424**	312,294
Non-controlling interest		**2**	3	**–**	–
Total equity		**223,345**	234,181	**296,424**	312,294
Non-current liabilities					
Deferred tax liabilities	11	**1,129**	1,332	**–**	–
Lease liabilities, non-current	26	**32,521**	37,614	**1,056**	1,345
Other financial liabilities, non-current	25	**13,035**	–	**13,035**	–
Total non-current liabilities		**46,685**	38,946	**14,091**	1,345
Current liabilities					
Income tax payable		**530**	79	**–**	–
Trade and other payables	24	**22,690**	24,592	**5,138**	10,892
Lease liabilities, current	26	**6,695**	6,518	**211**	224
Other financial liabilities, current	25	**4,622**	4,288	**1,779**	–
Total current liabilities		**34,537**	35,477	**7,128**	11,116
Total liabilities		**81,222**	74,423	**21,219**	12,461
Total equity and liabilities		**304,567**	308,604	**317,643**	324,755

The accompanying notes form an integral part of these financial statements.

Group	Total equity	Attributable to owners of the Company	Share capital	Retained earnings/ (accumulated losses)	Other reserve	Statutory reserve	Share-based payment reserve	Foreign currency translation reserve	Non-controlling interest
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year									
Opening balance at 1 January 2020	**234,181**	**234,178**	**295,356**	**(4,205)**	**(71,905)**	**7,406**	**3,329**	**4,197**	**3**
Total comprehensive loss for the year	**(12,578)**	**(12,586)**	**–**	**(12,101)**	**–**	**–**	**–**	**(485)**	**(1)**
Transfer to statutory reserve (Note 23A)	**–**	**–**	**–**	**(526)**	**–**	**526**	**–**	**–**	**–**
Share-based payments (Note 23B)	**1,766**	**1,766**	**–**	**–**	**–**	**–**	**1,766**	**–**	**–**
Written-off capital reserve (Note 23D)	**(15)**	**(15)**	**–**	**–**	**(15)**	**–**	**–**	**–**	**–**
Closing balance at 31 December 2020	**223,345**	**223,343**	**295,356**	**(16,832)**	**(71,920)**	**7,932**	**5,095**	**3,712**	**2**
Previous year									
Opening balance at 1 January 2019	246,017	246,017	295,356	10,764	(71,905)	5,954	1,978	3,870	–*
Total comprehensive (loss)/profit for the year	(13,187)	(13,190)	–	(13,517)	–	–	–	327	3
Transfer to statutory reserve (Note 23A)	–	–	–	(1,452)	–	1,452	–	–	–
Share-based payments (Note 23B)	1,351	1,351	–	–	–	–	1,351	–	–
Closing balance at 31 December 2019	234,181	234,178	295,356	(4,205)	(71,905)	7,406	3,329	4,197	3

* Amount less than RMB1,000

The accompanying notes form an integral part of these financial statements.

Statement Of Changes In Equity

REPORTING YEAR ENDED 31 DECEMBER 2020

Company	Total equity	Share capital	Accumulated losses	Share-based payment reserve	Foreign currency translation reserve
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year					
Opening balance at 1 January 2020	**312,294**	**295,356**	**(8,519)**	**3,329**	**22,128**
Total comprehensive loss for the year	**(17,636)**	**–**	**(3,300)**	**–**	**(14,336)**
Share-based payments (Note 23B)	**1,766**	**–**	**–**	**1,766**	**–**
Closing balance at 31 December 2020	**296,424**	**295,356**	**(11,819)**	**5,095**	**7,792**
Previous year					
Opening balance at 1 January 2019	308,689	295,356	(2,638)	1,978	13,993
Total comprehensive income (loss) for the year	2,254	–	(5,881)	–	8,135
Share-based payments (Note 23B)	1,351	–	–	1,351	–
Closing balance at 31 December 2019	312,294	295,356	(8,519)	3,329	22,128

The accompanying notes form an integral part of these financial statements.

Consolidated Statement Of Cash Flows

REPORTING YEAR ENDED 31 DECEMBER 2020

	2020 RMB'000	2019 RMB'000
Cash flows from operating activities		
Loss before income tax	**(11,890)**	(11,338)
Depreciation of plant and equipment	**10,111**	9,707
Amortisation of intangible assets	**817**	814
Depreciation of right-of-use assets	**7,133**	7,145
Impairment loss on goodwill	**1,682**	–
Loss on disposal of plant and equipment	**–**	3
Plant and equipment written-off	**3,287**	345
Unrealised foreign exchange gains	**(308)**	(368)
Interest expense	**3,289**	3,210
Share-based payments	**1,766**	1,351
Operating cash flows before changes in working capital	**15,887**	10,869
Inventories	**36**	(1,214)
Trade and other receivables	**(6,052)**	(1,108)
Other non-financial assets	**(318)**	1,662
Trade and other payables	**1,085**	1,974
Net cash flows from operations	**10,638**	12,183
Income taxes refunded/(paid)	**1,769**	(1,952)
Net cash flows from operating activities	**12,407**	10,231
Cash flows used in investing activities		
Acquisition of intangible assets (Note 15B)	**(311)**	–
Acquisition of plant and equipment (Note 13)	**(3,128)**	(15,329)
Acquisition of subsidiaries (Note 16A)	**–**	(12,222)
Advances paid for right-of-use assets	**–**	161
Decrease in staff loans	**40**	236
Payments to vendors for acquisitions of subsidiaries in prior years	**(3,000)**	(3,350)
Proceeds from disposal of plant and equipment	**–**	16
Net cash flows used in investing activities	**(6,399)**	(30,488)
Cash flows from/(used in) financing activities		
Proceeds from bank loans and bill payable	**24,952**	9,076
Repayments of bank loans and bill payable	**(11,583)**	(5,725)
Interest paid	**(589)**	(119)
Repayment of principal portion of lease liabilities	**(4,972)**	(3,998)
Repayment of interest portion of lease liabilities	**(2,686)**	(3,040)
Net cash flows from/(used in) financing activities	**5,122**	(3,806)
Net increase/(decrease) in cash and cash equivalents	**11,130**	(24,063)
Cash and cash equivalents, beginning balance	**26,956**	50,318
Effect of foreign exchange rate changes on cash and cash equivalents	**(174)**	701
Cash and cash equivalents, ending balance (Note 21)	**37,912**	26,956

The accompanying notes form an integral part of these financial statements.

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 and they cover the Company and its subsidiaries (collectively, the "Group").

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. 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 16 to the financial statements.

The registered office of the Company is located at 80 Robinson Road, #02-00 Singapore 068898 and the principal place of business of the Company is in Singapore.

COVID-19 related disclosures

The COVID-19 pandemic and its aftermath have caused, and will continue to cause, disruptions resulting in uncertainties surrounding the Group's business, including affecting its relationships with its existing and future patients, customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and medium and long-term prospects for the foreseeable future. The Group incurred a loss, net of tax of RMB12,102,000 for the reporting year ended 31 December 2020. The net cash flows from operating activities were RMB12,407,000. The prolonged disruptions arising from COVID-19 may materially affect the Group's ability to generate sufficient cash flows from its operations. However management reached a conclusion that the going concern basis of accounting is appropriate due to the following mitigating actions which include: monitor the COVID-19 situation closely, maintain communications with the relevant authorities and implement additional short-term precautionary measures, if required; controls on procurement and discretionary spend; rescheduling capital expenditures; focusing on maintaining cash flow and securing additional funding facilities. The management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 2C below, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the Company and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests' are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from provision of dental healthcare services is recognised when the entity satisfies the performance obligation at a point in time generally when the significant Acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Management fee income is recognised over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time.

Leasing income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Share-based compensation (cont'd)

Benefits to employees are also provided in the form of share-based payments transactions, whereby employees render services in exchange for shares or rights over shares (''equity-settled transactions''). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest method.

Foreign currency transactions

The functional currency of the Company is the Singapore Dollar ("S$") as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income.

The presentation currency of the Company and the Group is the Chinese Renminbi ("RMB"). For the RMB financial statements assets and liabilities are translated at year end rates of exchange and the income and expense items are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity. The translations of S$ amounts into RMB amounts are included solely for the convenience of readers. The reporting year end rates used are RMB4.9378 to S$1 (2019: RMB5.1757 to S$1) which approximate the rate of exchange at the end of the reporting year. The average rates of exchange for the reporting year were RMB5.0008 to S$1 (2019: RMB5.1656 to S$1). Certain balances are translated at historical rates. Such translation should not be constructed as a representation that the RMB amounts could be converted into S$ at the above rate or other rate.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for leasehold improvements and certain leased assets, the shorter lease term). The useful lives and residual values rates of the underlying assets are as follows:

		Useful lives	Residual value rates
Leasehold property	–	24.3 years	5%
Leasehold improvements	–	10 years	–
Furniture and fittings and equipment	–	5 to 10 years	5%
Motor vehicles	–	10 years	5%
Software	–	2 to 10 years	–

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The useful lives of the underlying assets are as follows:

Leasehold property	–	24.3 years
Office premises	–	1.3 to 11 years
Dormitory	–	1.3 to 3.6 years
Warehouse premises	–	1.2 to 2 years
Software	–	8 years

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Customer lists	–	10 years
Software	–	2 to 10 years

Software work in progress are not depreciated as the assets are not available for use.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost weighted average method and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

(i) Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

(ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

(iii) Financial asset that is an equity investment classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

(iv) Financial asset classified as measured at fair value through profit or loss ("FVTPL"): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include bank and cash balances and on demand deposits. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of impairment allowance for goodwill:

The carrying amount of goodwill is tested annually for impairment. This annual impairment test is significant and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, significant judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. Judgement is also required in identifying the cash-generating units ("CGUs"). The disclosures about goodwill are included in Note 15A, which explains that small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessment of carrying amounts of property, plant and equipment and right-of-use assets:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is RMB95,476,000 (2019: RMB113,322,000).

Assessment of impairment of subsidiaries:

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of the specific asset or liability (or class of assets or liabilities) at the end of the reporting year affected by the assumption is RMB286,728,000 (2019: RMB302,225,000).

Estimation of useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is RMB51,696,000 (2019: RMB62,491,000).

Assessment of impairment allowance for inventories:

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the note on inventories.

Assessment of impairment allowance for trade receivables:

The trade receivables are subject to the expected credit loss ("ECL") model under the financial reporting standard on financial instruments. The allowance for ECL assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Income tax amounts:

The Group recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of the Group

Related companies in these financial statements include members of the Company's group of companies.

Related parties in these financial statements refer to the entities controlled by the controlling shareholder, Q & M Dental Group (Singapore) Limited and are outside the Group.

3B. 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 financial statements. The related party balances 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 clinic, hospitals and offices from its directors, and certain subsidiaries in the Group leased software from related party. The right-of-use assets were RMB7,574,000. The lease are for 1.4 years to 11.0 years.

Other related party transactions and balances are disclosed elsewhere in the notes to the financial statements.

3. Related party relationships and transactions (cont'd)

3C. Key management compensation

	Group 2020 RMB'000	Group 2019 RMB'000
Salaries and other short-term employee benefits	**5,773**	6,895
Included in the above amount are the following items:		
Remuneration of directors of the Company	**2,121**	2,825
Remuneration of directors of the subsidiaries	**1,199**	1,193
Remuneration of executive officers of the Group	**1,680**	2,034
Remuneration of directors of the subsidiaries cum executive officers of the Group	**173**	223
Fees to directors of the Company	**600**	620

The above amounts are included under employee benefits expense.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel. The amounts also include fees paid to directors for dental services rendered in their capacity as dentists.

Further information about the remuneration of individual directors is provided in the Report on Corporate Governance.

3D. Balances with subsidiaries

	Company 2020 RMB'000	Company 2019 RMB'000
Balance at beginning of the year	**10,628**	–
Amounts paid in and settlement of liabilities on behalf of the Company	**(3,087)**	(2)
Amounts paid out and settlement of liabilities on behalf of subsidiaries	**424**	10,630
Balance at end of the year	**7,965**	10,628
Presented in the statement of financial position as follows:		
Other receivables (Note 17 & Note 19)	**7,967**	10,630
Other payables (Note 24)	**(2)**	(2)
	7,965	10,628

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Company.

For management purposes the Group is organised into the following major strategic operating segments that offer different products and services: (1) primary healthcare, (2) dental equipment and supplies distribution, and (3) laboratory services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT")

4B. Profit or loss for the year and reconciliations

Information of the reportable segments as reviewed by the chief operating decision maker ("CODM"), before any reconciling adjustments to the Group's consolidated financial information, are set out below:

4. Financial information by operating segments (cont'd)

4B. Profit or loss for the year and reconciliations (cont'd)

	Primary healthcare		Distribution of dental equipment and supplies		Laboratory services		Consolidated	
	2020	2019 (Reclassified*)	2020	2019 (Reclassified*)	2020	2019 (Reclassified*)	2020	2019 (Reclassified*)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers (Note 5)	**78,461**	81,656	**40,372**	46,474	**13,728**	12,979	**132,561**	141,109
Inter-segment revenue	**8,015**	9,415	**5,676**	5,343	**678**	1,561	**14,369**	16,319
Total Revenue	**86,476**	91,071	**46,048**	51,817	**14,406**	14,540	**146,930**	157,428
Segment results	**6,422**	7,309	**(583)**	(906)	**3,621**	3,135	**9,460**	9,538
Finance costs							**(3,289)**	(3,210)
Depreciation of plant and equipment							**(10,111)**	(9,707)
Depreciation of right-of-use assets							**(7,133)**	(7,145)
Amortisation of intangible assets							**(817)**	(814)
Loss before income tax							**(11,890)**	(11,338)
Income tax expense							**(212)**	(2,176)
Loss, net of tax							**(12,102)**	(13,514)
Expenditure for non-current assets								
Property, plant and equipment	**2,462**	9,037	**39**	5,467	**627**	825	**3,128**	15,329
Other material non-cash items								
Depreciation of plant and equipment	**8,451**	8,006	**656**	412	**1,004**	1,289	**10,111**	9,707
Depreciation of right-of-use assets	**6,665**	6,658	**239**	206	**229**	281	**7,133**	7,145
Amortisation of intangible assets	**361**	358	**42**	42	**414**	414	**817**	814
Finance cost	**3,104**	3,040	**171**	170	**14**	–	**3,289**	3,210
Plant and equipment written-off	**3,287**	330	**–**	–	**–**	15	**3,287**	345
Allowance on trade receivables	**(49)**	178	**327**	699	**37**	17	**315**	894
Share-based payment expense	**1,766**	1,351	**–**	–	**–**	–	**1,766**	1,351
Segment assets	**263,487**	269,113	**24,045**	24,358	**17,035**	15,133	**304,567**	308,604
Segment liabilities	**67,381**	62,190	**10,878**	10,067	**2,963**	2,166	**81,222**	74,423

* Refer to Note 33 for the explanatory note on reclassification.

4. Financial information by operating segments (cont'd)

4C. Geographical information

The Group operates principally in the PRC. The contribution from Singapore is not material and therefore no separate geographical segments have been presented.

4D. Information about major customers

There are no customers with revenue transactions of over 10% of the Group's revenue.

5. Revenue

	Group	
	2020 RMB'000	2019 RMB'000
Revenue classified by nature type		
Rendering of services – primary healthcare	**76,335**	76,916
Sale of goods – distribution of dental equipment and supplies	**40,372**	46,474
Laboratory services	**13,728**	12,979
Management fee income from outside parties	**880**	3,629
Other income	**178**	43
Revenue from contracts with customers	**131,493**	140,041
Leasing income	**1,068**	1,068
Total revenue	**132,561**	141,109
Revenue classified by timing of revenue recognition		
Point in time	**130,613**	136,412
Over time	**880**	3,629
	131,493	140,041

The Group applies the practical expedient in SFRS(I) 15 and does not disclose information about its remaining performance obligation as the performance obligation is part of contracts that have original expected duration of one year or less.

6. Other income and gains and (other losses)

	Group	
	2020 RMB'000	2019 RMB'000
Bad debts written-off	**(2)**	(47)
Compensation damages received	**3**	–
Compensation damages [a]	**(439)**	–
De-recognition of contingent consideration payable [a]	**1,627**	–
Foreign exchange adjustment gain/(losses), net	**597**	(250)
Government grant	**968**	–
Impairment loss from goodwill (Note 15A) [a]	**(1,682)**	–
Loss on disposal of plant and equipment	**–**	(3)
Other gains	**67**	–
Plant and equipment written-off	**(3,287)**	(345)
Rental discount	**8**	–
Net	**(2,140)**	(645)
Presented in profit or loss as:		
Other income and gains	**3,270**	–
Other losses	**(5,410)**	(645)
	(2,140)	(645)

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

7. Employee benefits expenses

	Group	
	2020 RMB'000	2019 RMB'000
Short-term employee benefits expenses	**45,876**	46,243
Contributions to defined contribution plans	**4,484**	9,748
Other benefits	**2,371**	2,539
Share-based payments (Note 23B)	**1,766**	1,351
	54,497	59,881

8. Finance costs

	Group	
	2020 RMB'000	2019 RMB'000
Interest expense	**603**	170
Interest on lease liabilities	**2,686**	3,040
	3,289	3,210

9. Other expenses

The major components and other selected components include the following:

	Group	
	2020 RMB'000	**2019 RMB'000**
Entertainment fees	**1,157**	1,261
General expenses	**259**	508
Marketing expenses	**1,146**	1,818
Other tax expenses	**1,556**	1,775
Motor vehicle expenses	**593**	761
Professional fees	**4,031**	2,502
Property management fee	**378**	–
Travelling expenses	**637**	2,007
Utilities expenses	**1,295**	1,444

10. Items in profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, other expenses also include the following charges:

	Group	
	2020 RMB'000	**2019 RMB'000**
Audit fees to the independent auditor of the Company	**443**	749
Audit fees to alliance / affiliated firms of independent auditor of the Company	**615**	128
Audit fees to other independent auditors	**77**	–
Non-audit fees to independent auditor of the Company	**35**	–
Non-audit fees to other independent auditors	**–**	50
Rental expense:		
- Short-term leases	**857**	1,129
- Low value assets written-off	**79**	5

11. Income tax expense

11A. Components of tax expense recognised in profit or loss

	Group 2020 RMB'000	Group 2019 RMB'000
Current tax expense		
Current tax expense	**572**	609
Under/(over) provision in respect of prior years	**9**	(10)
Subtotal	**581**	599
Deferred tax income		
Deferred tax income	**(203)**	(218)
Withholding tax expense		
Current withholding tax expense	**454**	683
(Over)/under provision in respect of prior years	**(620)**	1,112
Subtotal	**(166)**	1,795
Total income tax expense	**212**	2,176

The reconciliation of income taxes below is determined by applying the PRC corporate tax rate as the Group primarily operates in the PRC. The income tax in profit or loss varied from the amount determined by applying the PRC income tax rate of 25% (2019: 25%) to profit or loss before income tax as a result of the following differences:

	Group 2020 RMB'000	Group 2019 RMB'000
Loss before income tax	**(11,890)**	(11,338)
Income tax income at the above rate	**(2,973)**	(2,835)
Effect of different tax rate in different countries	**249**	328
Tax effect on non-deductible expenses	**148**	383
Tax incentives	**1,832**	1,666
Unutilised tax losses not recognised	**1,045**	926
Under/(over) provision of income tax in respect of prior years	**9**	(10)
Under provision of withholding tax in respect of prior years	**(620)**	1,112
Withholding tax	**454**	683
Others	**68**	(77)
Total income tax expense on continuing operations	**212**	2,176

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 RMB25.1 million and RMB6.6 million (2019: RMB11.9 million and RMB5.7 million) respectively available for offset against future profits at the reporting date. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses of the Group are losses of RMB18.5 million (2019: RMB6.41 million), which can only be carried forward for a maximum period of 5 years from the year of assessment. Other tax losses may be carried forward indefinitely.

11. Income tax expense (cont'd)

11B. Deferred tax expense recognised in profit or loss

	Group 2020 RMB'000	Group 2019 RMB'000
Excess of carrying values over tax values of intangible assets, and plant and equipment	**(203)**	(218)

11C. Deferred tax balance in the statement of financial position

	Group 2020 RMB'000	Group 2019 RMB'000
Provisions	**14**	14
Excess of carrying values over tax values of intangible assets, and plant and equipment	**(1,129)**	(1,332)
Net balance	**(1,115)**	(1,318)
Presented in the statement of financial position as follows:		
Deferred tax assets	**14**	14
Deferred tax liabilities	**(1,129)**	(1,332)
	(1,115)	(1,318)
Deferred tax assets		
- To be recovered over one year	**14**	14
Deferred tax liabilities		
- To be settled within one year	**(203)**	(203)
- To be settled after one year	**(926)**	(1,129)
	(1,129)	(1,332)

On 22 February 2008, the State Administration of Taxation of the PRC issued a circular Caishui [2008] No.001, which imposes withholding tax on distribution of dividends from post 1 January 2008 profits to foreign investors. Accordingly, provision for deferred tax liabilities is required on profits accumulated from 1 January 2008 onwards.

However, as at 31 December 2020, no deferred tax liability has been recognised for withholding tax that would be payable on the undistributed profits of the PRC subsidiaries as the Group has determined that the portion of the undistributed profits of its PRC subsidiaries will not be distributed in the foreseeable future. Such temporary difference for which no deferred tax liability has been recognised amounted to approximately RMB2,299,000 (2019: RMB9,554,000) and the deferred tax liability is estimated at approximately RMB115,000 (2019: RMB478,000), subject to certain conditions being fulfilled.

12. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted loss per share of no par value:

	Group	
	2020 RMB'000	2019 RMB'000
Numerators:		
Loss, net of tax attributable to equity holders:		
- Basic and diluted	**(12,101)**	(13,517)
	No. of shares	
	'000	**'000**
Denominators:		
Weighted average number of equity shares - basic and diluted	**381,575**	381,575

The weighted average number of ordinary shares outstanding during the reporting year and for all periods presented are 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 beginning of the earliest period presented.

Basic and diluted loss per share are calculated by dividing loss, net of tax for the reporting year attributable to owners of the Company by the weighted average number of equity shares.

The basic and diluted earnings per share for all respective reporting year are the same as there are no outstanding convertibles or other dilutive equity instruments. The effect of the employee share options and performance shares granted during the year (refer to Note 23E) are anti-dilutive.

13. Property, plant and equipment

Group	Leasehold property RMB'000	Leasehold improvements RMB'000	Furniture, fittings and equipment RMB'000	Motor vehicles RMB'000	Software RMB'000	Total RMB'000
Cost						
At 1 January 2019	6,818	21,982	55,267	476	827	85,370
Additions	–	6,525	8,741	–	63	15,329
Arising from acquisition of subsidiaries (Note 16A)	–	383	1,194	–	–	1,577
Disposals	–	–	(36)	–	–	(36)
Adoption of SFRS(I) 16 - reclassification to ROU assets	(6,818)	–	–	–	–	(6,818)
Written-off	–	–	(588)	(215)	–	(803)
Exchange differences	–	–	–	–	12	12
At 31 December 2019	–	28,890	64,578	261	902	94,631
Additions	–	432	2,050	646	–	3,128
Disposals	–	–	(3)	–	–	(3)
Written-off	–	(600)	(7,743)	–	(20)	(8,363)
Reclassification (Note 15B)	–	–	–	–	(850)	(850)
Exchange differences	–	–	(3)	–	(22)	(25)
At 31 December 2020	–	28,722	58,879	907	10	88,518
Accumulated depreciation						
At 1 January 2019	73	4,351	18,111	214	179	22,928
Depreciation for the year	–	2,477	7,087	45	98	9,707
Arising from acquisition of subsidiaries (Note 16A)	–	22	28	–	–	50
Disposals	–	–	(17)	–	–	(17)
Adoption of SFRS(I) 16 - reclassification to ROU assets	(73)	–	–	–	–	(73)
Written-off	–	–	(339)	(119)	–	(458)
Exchange differences	–	–	–	–	3	3
At 31 December 2019	–	6,850	24,870	140	280	32,140
Depreciation for the year	–	2,853	7,110	56	92	10,111
Disposals	–	–	(3)	–	–	(3)
Written-off	–	(70)	(5,004)	–	(2)	(5,076)
Reclassification (Note 15B)	–	–	–	–	(356)	(356)
Exchange differences	–	–	13	–	(7)	6
At 31 December 2020	–	9,633	26,986	196	7	36,822
Carrying value						
At 1 January 2019	6,745	17,631	37,156	262	648	62,442
At 31 December 2019	–	22,040	39,708	121	622	62,491
At 31 December 2020	–	19,089	31,893	711	3	51,696

13. Property, plant and equipment (cont'd)

Company	Furniture, fittings and equipment RMB'000	Software RMB'000	Total RMB'000
Cost			
At 1 January 2019	41	452	493
Additions	20	–	20
Exchange differences	–	12	12
At 31 December 2019	61	464	525
Additions	12	–	12
Written-off	(6)	–	(6)
Reclassification (Note 15B)	–	(444)	(444)
Exchange differences	(3)	(20)	(23)
At 31 December 2020	64	–	64
Accumulated depreciation			
At 1 January 2019	28	96	124
Depreciation for the year	11	50	61
Exchange differences	1	2	3
At 31 December 2019	40	148	188
Depreciation for the year	8	44	52
Written-off	(6)	–	(6)
Reclassification (Note 15B)	–	(186)	(186)
Exchange differences	(2)	(6)	(8)
At 31 December 2020	40	–	40
Carrying value			
At 1 January 2019	13	356	369
At 31 December 2019	21	316	337
At 31 December 2020	24	–	24

Impairment testing of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there are indications of impairment. Following management's impairment, no impairment allowance was recognised for the reporting year ended 31 December 2020. Refer to Note 15A for the key assumptions used for impairment testing.

14. Right-of-use assets

Group	Leasehold property RMB'000	Office premises RMB'000	Dormitory RMB'000	Warehouse premises RMB'000	Software RMB'000	Total RMB'000
Cost						
At 1 January 2019 – adoption of SFRS(I) 16	6,818	44,212	74	194	1,653	52,951
Additions	–	4,947	151	–	–	5,098
At 31 December 2019	6,818	49,159	225	194	1,653	58,049
Additions	–	185	–	–	–	185
Remeasurement	–	(39)	–	–	–	(39)
Exchange differences	–	–	–	–	(76)	(76)
At 31 December 2020	6,818	49,305	225	194	1,577	58,119
Accumulated depreciation						
At 1 January 2019 – adoption of SFRS(I) 16	73	–	–	–	–	73
Depreciation for the year	281	6,450	96	111	207	7,145
At 31 December 2019	354	6,450	96	111	207	7,218
Depreciation for the year	291	6,496	63	83	200	7,133
Exchange differences	–	–	–	–	(12)	(12)
At 31 December 2020	645	12,946	159	194	395	14,339
Carrying value						
At 1 January 2019 – adoption of SFRS(I) 16	6,745	44,212	74	194	1,653	52,878
At 31 December 2019	6,464	42,709	129	83	1,446	50,831
At 31 December 2020	6,173	36,359	66	–	1,182	43,780

Leasehold property

In prior years, the Group has made an upfront payment to secure a 24.3 year leasehold building that is used as a dental hospital in its operations. The leasehold property which was previously recorded under property, plant and equipment has been reclassified to right-of-use assets on adoption of SFRS(I) 16 on 1 January 2019.

Office premises

The Group leases several dental clinics and hospitals, office premises and workshop for use in its operations.

Dormitory

The Group leases staff accommodation premises for office and operation use, in the primary healthcare and laboratory services segment.

Warehouse premises

The Group leases warehouse premises for storage of dental equipment and supplies.

14. Right-of-use assets (cont'd)

Software

The Group leases software and related services for primary healthcare segment.

There are no externally imposed covenants on these lease arrangements.

Company	Software RMB'000
Cost	
At 1 January 2019 – adoption of SFRS(I) 16 and 31 December 2019	1,653
Exchange differences	(76)
At 31 December 2020	1,577
Accumulated depreciation	
At 1 January 2019 – adoption of SFRS(I) 16	–
Depreciation for the year	207
At 31 December 2019	207
Depreciation for the year	200
Exchange differences	(13)
At 31 December 2020	394
Carrying value	
At 1 January 2019 – adoption of SFRS(I) 16	1,653
At 31 December 2019	1,446
At 31 December 2020	1,183

Details of property at the reporting date are as follows:

Description of property	Tenure	Unexpired lease term (year)	Existing use	Gross floor area (sq. metres)
No. 190 of Danan Street, Shenhe District, Shenyang, Liaoning Province, PRC	Leasehold*	22.0*	Commercial	345.26

* The property owned by the Group is located on leasehold land.

Impairment testing of right-of-use assets

Right-of-use assets are tested for impairment whenever there are indications of impairment. Following management's impairment assessment, no impairment allowance was recognised for the reporting year ended 31 December 2020. Refer to Note 15A for the key assumptions used for impairment testing.

15. Goodwill and intangible assets

	Group 2020 RMB'000	Group 2019 RMB'000
Goodwill (Note 15A)	**125,219**	126,901
Other intangible assets (Note 15B)	**5,318**	5,330
	130,537	132,231

15A. Goodwill

	Group 2020 RMB'000	Group 2019 RMB'000
At cost:		
Balance at beginning of the year	**126,901**	109,228
Arising from acquisitions of subsidiaries (Note 16A)	**–**	17,673
Impairment loss from goodwill (Note 6)	**(1,682)**	–
Balance at end of the year	**125,219**	126,901

Impairment testing of goodwill

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The goodwill was tested for impairment at the end of the reporting year. The identification of CGUs requires significant judgment and is influenced by the manner in which management monitors the Group's operations, specifically on the integration of the primary healthcare services during the current reporting year, and as to how management makes decisions about continuing or disposing of the Group's assets or operation.

The recoverable amounts of cash-generating units have been measured based on its value in use method. The value is regarded as the lowest level for fair value measurement as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

The value in use was determined by management. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and considering the historical and forecasted average dental patients' fee and patients' numbers at the dental practices including the different types of dental treatment services offered. In arriving at the key assumptions, management has also committed plans for the near future, forecasted professional dentists recruitment and deployment having regard to past performance and forecasted operating costs, capital expenditure and considered the timing of cash flows.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on historical performance and management's committed plans in the near future. The discount rates reflect specific risks relating to the relevant segments and the countries in which they operate. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. The value in use is a recurring fair value measurement (Level 3).

15. Goodwill and intangible assets (cont'd)

15A. Goodwill (cont'd)

Each of these cash-generating units represents the Group's integration segments as follows:

	Group	
	2020 RMB'000	**2019 RMB'000**
Name of the segments		
Primary healthcare		
All dental centres consisting of dental hospitals and polyclinics	**115,204**	116,886
Distribution of dental equipment and supplies		
Shenyang Maotai Q & M Medical Equipment Co., Ltd.	**3,203**	3,203
Laboratory services		
Shenyang Qingaomei Oral Restorative Technology Co., Ltd.	**6,812**	6,812
	125,219	126,901

The cash flow forecasts have been prepared using information derived from the most recent financial budgets approved by management for the next 5 years. Management forecasted the revenue growth rates and discount rates as follows:

	Group	
	Revenue growth rate [1]	**Discount rate [2]**
2020		
Primary healthcare CGU	13.9%	13.8%
Distribution CGU	10.6%	12.3%
Laboratory services CGU	10.6%	11.5%
2019		
Primary healthcare CGU	7.8%	13.3%
Distribution CGU	15.0%	14.4%
Laboratory services CGU	10.0%	13.5%

[1] 5-year annual average growth rates.
[2] Pre-tax discount rates.

Management forecasts the terminal growth rates at 3.6% (2019: 2.5%).

Except for the impairment loss disclosed in Note 6, no further impairment losses were recognised because the carrying amounts of all cash-generating units were lower than their recoverable amounts.

Primary healthcare CGU:

Actual outcomes could vary from these estimates. A decrease in the 5-year annual average revenue growth rate by 1,560 basis points (2019: 46 basis points) could result in the recoverable amount of primary healthcare segment to be equal to the carrying amount of its CGU. If the revised estimated discount rate applied to the discounted cash flows had been 100 basis points less favourable than management's estimates, there would be a need to reduce the recoverable amount of CGU by RMB48,059,000 (2019: RMB25,334,000).

15. Goodwill and intangible assets (cont'd)

15A. Goodwill (cont'd)

Distribution CGU: Shenyang Maotai Q & M Medical Equipment Co., Ltd.:

Actual outcomes could vary from these estimates. A decrease in the 5-year annual average revenue growth rate by 428 basis points (2019: 17 basis points) will result in the recoverable amount of distribution segment to be equal to the carrying amount of its CGU. If the revised estimated discount rate applied to the discounted cash flows had been 100 basis points less favourable than management's estimates, there would be a need to reduce the carrying value of CGU by RMB4,189,000 (2019: RMB2,137,000).

Laboratory services CGU: Shenyang Qingaomei Oral Restorative Technology Co., Ltd.:

Actual outcomes could vary from these estimates. A decrease in the 5-year annual average revenue growth rate by 759 basis points (2019: 1,239 basis points) will result in the recoverable amount of distribution segment to be equal to the carrying amount of its CGU. If the revised estimated discount rate applied to the discounted cash flows had been 100 basis points less favourable than management's estimates, there would be a need to reduce the recoverable amount of CGU by RMB8,246,000 (2019: RMB2,956,000). However, the recoverable amount would still be higher than the carrying amount of CGU.

The cash flow forecasts have also been used to perform impairment assessment on the Group's property, plant and equipment, right-of-use assets and the impairment assessment of the Company's investments in subsidiaries. No impairment loss was recognised.

15B. Other intangible assets

Group	Customer lists RMB'000	Software RMB'000	Work-in-progress RMB'000	Total RMB'000
Cost				
At 1 January 2019	8,136	–	–	8,136
Additions	–	–	–	–
At 31 December 2019	8,136	–	–	8,136
Additions	–	20	291	311
Reclassification (Note 13)	–	850	–	850
At 31 December 2020	8,136	870	291	9,297
Accumulated amortisation				
At 1 January 2019	1,992	–	–	1,992
Amortisation for the year	814	–	–	814
At 31 December 2019	2,806	–	–	2,806
Amortisation for the year	814	3	–	817
Reclassification (Note 13)	–	356	–	356
At 31 December 2020	3,620	359	–	3,979
Carrying value				
At 1 January 2019	6,144	–	–	6,144
At 31 December 2019	5,330	–	–	5,330
At 31 December 2020	4,516	511	291	5,318

15. Goodwill and intangible assets (cont'd)

15B. Other intangible assets (cont'd)

Company	Software RMB'000
Cost	
At 1 January 2020	–
Reclassification (Note 13)	444
At 31 December 2020	444
Accumulated amortisation	
At 1 January 2019	–
Reclassification (Note 13)	186
At 31 December 2020	186
Carrying value	
At 1 January 2020	–
At 31 December 2020	258

16. Investments in subsidiaries

	Company 2020 RMB'000	Company 2019 RMB'000
Unquoted equity interests, at cost	**302,225**	277,210
Additions	**–**	17,182
Foreign currency translation adjustment	**(13,892)**	7,833
Less: Allowance for impairment loss	**(1,605)**	–
Net book value	**286,728**	302,225
Movements in allowance for impairment loss:		
Balance at beginning of the year	**–**	–
Additions	**(1,605)**	–
Balance at end of the year	**(1,605)**	–

Impairment testing of the Company's investments in subsidiaries

Company's investments in subsidiaries are tested for impairment whenever there are indications of impairment. Following management's impairment assessment, no impairment allowance was recognised for the year ended 31 December 2020. Refer to Note 15A for the key assumptions used for impairment testing.

There is no acquisition of subsidiary in financial year 2020.

16. Investments in subsidiaries (cont'd)

16A. Acquisitions of subsidiaries in 2019

On 15 January 2019, 30 January 2019 and 14 March 2019, the Group through its wholly-owned subsidiary, Shenyang Xinao Hospital Management Co., Ltd. ("SYXA"), acquired 100% of equity interests in Jinzhou Aoxin Youxin Dental Clinic Co., Ltd. ("Youxin"), Shenyang Huanggu Aoxin Dental Clinic Co., Ltd. ("Huanggu") and Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd. ("Jinfeng") respectively. The Group made the acquisition to increase its market share in the PRC, reduce costs through economies of scale and complement the Group's primary healthcare segment.

Details of the consideration paid, assets acquired and liabilities assumed, goodwill arising, and the effects on the cash flows of the Group are as follows:

	Youxin RMB'000	**Huanggu RMB'000**	**Jinfeng RMB'000**	**Total RMB'000**
Purchase consideration				
Cash	16,600	1,100	780	18,480
Consideration shares - Amount payable to vendors of acquired subsidiaries	–	–	1,682	1,682
Total purchase consideration	16,600	1,100	2,462	20,162
Identifiable assets acquired and liabilities assumed at fair value				
Cash and cash equivalents	214	54	110	378
Trade and other receivables	174	199	700	1,073
Property, plant and equipment	815	712	–	1,527
Trade and other payables	(205)	(253)	(30)	(488)
Current tax liabilities	–	(1)	–	(1)
Identifiable net assets acquired	998	711	780	2,489
Goodwill arising on acquisition (Note 15A)	15,602	389	1,682	17,673
Effects on cash flows of the Group				
Cash consideration	16,600	1,100	780	18,480
Less: Cash and cash equivalents in acquired subsidiaries	(214)	(54)	(110)	(378)
Less: Amount payable to vendors of acquired subsidiaries	(5,880)	–	–	(5,880)
Cash outflow on acquisition	10,506	1,046	670	12,222

As at the end of the reporting year, the remaining purchase consideration payable to the vendors of the acquired subsidiaries was RMB2,880,000 (2019: RMB7,562,000). Refer to Note 24 for details.

16. Investments in subsidiaries (cont'd)

16A. Acquisitions of subsidiaries in 2019 (cont'd)

Consideration shares

As part of the total purchase consideration for the acquisition of Jinfeng, the Company is to issue RMB2,606,000 worth of consideration shares ("Consideration Shares") in the capital of the Company to the Vendors in full at the date of acquisition. However, due to the regulatory restrictions on residents of PRC on overseas investment, no Consideration Shares have been issued to them as of 31 December 2019. Notwithstanding that the Consideration Shares were not yet issued to the Vendors, the acquisition of Jinfeng has been completed as the entire equity interest of Jinfeng has been transferred to the Group as at the date of acquisition on 14 March 2019 and the results of Jinfeng have been consolidated with those of the Group from the date of acquisition .

The management has accounted for the Consideration Shares in these financial statements at its fair value at date of acquisition, under SFRS(I) 3 *Business Combinations*. The fair value of this contingent consideration at the acquisition date is estimated to be RMB1,682,000 based on the Discount for Lack of Marketability ("DLOM") method as they are subjected to moratorium period.

On 20 May 2020 ("Termination Date"), the Company and its subsidiaries had entered in a deed of termination with the Vendors of Jinfeng pursuant to which the parties have agreed to terminate the acquisition transaction documents with effect from the Termination Date.

Financial assets and financial liabilities

The carrying amounts of the financial assets and financial liabilities approximated their fair values at the acquisition date. The receivables acquired in this transaction, mainly comprising trade and other receivables, with a fair value of RMB1,073,000 which is same as the gross contractual amounts of RMB1,073,000.

Goodwill

The goodwill arising from the acquisition of Youxin, Huanggu and Jinfeng in 2019 has been allocated to primary healthcare CGU as synergies is expected to be harnessed as a multi-business group under this CGU. The goodwill was not deductible for tax purposes.

Revenue and profit contribution

(i) *Youxin*

The revenue and net profit of the acquired business for the period from 15 January 2019 to 31 December 2019 were RMB5,271,000 and RMB898,000 respectively. Had Youxin been acquired from 1 January 2019, the revenue and net profit of Youxin that are attributable to the Group for the year ended 31 December 2019 would have been RMB5,354,000 and RMB891,000 respectively.

(ii) *Huanggu*

The revenue and net profit of the acquired business for the period from 30 January 2019 to 31 December 2019 were RMB1,970,000 and RMB392,000 respectively. Had Huanggu been acquired from 1 January 2019, the revenue and net profit of Huanggu that are attributable to the Group for the year ended 31 December 2019 would have been RMB2,162,000 and RMB420,000 respectively.

16. Investments in subsidiaries (cont'd)

16A. Acquisitions of subsidiaries in 2019 (cont'd)

(iii) *Jinfeng*

The revenue and net loss of the acquired business for the period from 14 March 2019 to 31 December 2019 were RMB1,223,000 and RMB213,000 respectively. Had Jinfeng been acquired from 1 January 2019, the revenue and net loss of Jinfeng that are attributable to the Group for the year ended 31 December 2019 would have been RMB1,223,000 and RMB213,000 respectively.

Had these subsidiaries been acquired from 1 January 2019, consolidated revenue and consolidated net loss of the Group for the reporting year ended 31 December 2019 would have been RMB141,384,000 and RMB13,493,000 respectively.

16B. Listing of and information on subsidiaries

The subsidiaries held by the Company are listed below:

Name of subsidiaries, place of operations and principal activities	Cost of investment		Effective equity held	
	2020 RMB'000	2019 RMB'000	2020 %	2019 %
Held by the Company				
Q & M Dental (Shenyang) Pte. Ltd. [b] [f]	**162,373**	170,196	**100**	100
上海全民投资管理咨询有限公司 Shanghai Q & M Investment Management & Consulting Co., Ltd. [a] [h]	**124,355**	132,029	**100**	100
	286,278	302,225		
Held through subsidiaries				
沈阳新奥医院管理有限公司 Shenyang Xinao Hospital Management Co., Ltd. [b] [g]			**100**	100
沈阳奥新全民口腔医院有限公司 Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. [g]			**100**	100
沈阳和平全民奥新口腔门诊部有限公司 Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd. [g]			**100**	100
葫芦岛市奥新口腔门诊部有限公司 Huludao City Aoxin Stomatology Polyclinic Co., Ltd. [g]			**100**	100
葫芦岛奥新全民口腔医院有限公司 Huludao Aoxin Q & M Stomatology Hospital Co., Ltd. [g]			**100**	100
沈阳全鑫医疗设备租赁有限公司 Shenyang Quanxin Medical Equipment Leasing Co., Ltd. [e]			**100**	100
盘锦金赛全民口腔有限责任公司 Panjin Jinsai Q & M Stomatology Co., Ltd. [h]			**100**	100

16. Investments in subsidiaries (cont'd)

16B. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries, place of operations and principal activities	Effective equity held 2020 %	2019 %
Held through subsidiaries		
盖州市奥新全民口腔医院有限公司 Gaizhou City Aoxin Q & M Stomatology Hospital Co., Ltd. [h]	**100**	100
庄河市奥新大伟口腔有限公司 Zhuanghe City Aoxin Dawei Dental Co., Ltd. [g]	**100**	100
盘锦奥新全民口腔医院有限公司 Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd. [g]	**100**	100
沈阳茂泰全民医疗设备有限公司 Shenyang Maotai Q & M Medical Equipment Co., Ltd. [d] [g]	**100**	100
沈阳清奥美口腔镶复技术有限公司 Shenyang Qingaomei Oral Restorative Technology Co., Ltd. [c] [g]	**100**	100
沈阳全奥医疗投资管理有限公司 Shenyang Quanao Medical Investment Management Co., Ltd. [b] [h]	**99**	99
沈阳沈河奥新口腔门诊部有限公司 Shenyang Shenhe Aoxin Stomatology Polyclinic Co., Ltd. [g]	**100**	100
大连奥新全民口腔医院有限公司 Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd. [g]	**100**	100
葫芦岛龙港区奥新口腔门诊有限公司 Huludao Longgang District Aoxin Stomatology Polyclinic Co., Ltd. [h]	**100**	100
鞍山立山区奥新全民口腔门诊部有限公司 Anshan Lishan District Aoxin Q & M Stomatology Polyclinic Co., Ltd. [h]	**100**	100
锦州奥新尤信口腔门诊有限公司 Jinzhou Aoxin Youxin Dental Clinic Co., Ltd. (acquired on 15 January 2019) [g]	**100**	100
沈阳皇姑奥新口腔门诊部有限公司 Shenyang Huanggu Aoxin Dental Clinic Co., Ltd. (acquired on 30 January 2019) [h]	**100**	100
沈阳奥新金峰口腔门诊部有限公司 Shenyang Aoxin Jinfeng Dental Clinic Co., Ltd. (acquired on 14 March 2019) [g]	**100**	100

16. Investments in subsidiaries (cont'd)

16B. Listing of and information on subsidiaries (cont'd)

(a) The principal activities of the subsidiary are provision of consultancy services.
(b) The principal activity of the subsidiary is investment holding.
(c) The principal activities of the subsidiary are the provision of laboratory services including processing of porcelain crown, bridges and dentures, development of dental inlay technology, and provision of technical consultancy services.
(d) The principal activities of the subsidiary are trading of medical and dental instruments and supplies, provision of investment consultancy services, and leasing of medical equipment.
(e) The principal activities of the subsidiary are leasing of dental equipment.
(f) Audited by RSM Chio Lim LLP (2019: FKT LLP).
(g) Audited by SBA Stone Forest (Beijing) CPA Firm, an alliance firm of RSM Chio Lim LLP (2019: HLB Liaoning Zhongheng CPAs Co., Ltd., a member of HLB International network of firms).
(h) Audited by Liaoning Runzhi CPAs, a firm of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member (2019: HLB Liaoning Zhongheng CPAs Co., Ltd., a member of HLB International network of firms).

Other than Q & M Dental (Shenyang) Pte. Ltd., which is incorporated and operating in Singapore, the remaining subsidiaries are registered and operating in the People's Republic of China.

All subsidiaries are engaged in the provision of dental services unless otherwise disclosed above.

There is no subsidiary that has non-controlling interests that is considered material to the Group.

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

17. Other receivables, non-current

	Company	
	2020 **RMB'000**	**2019** **RMB'000**
Subsidiary (Note 3)	**7,901**	10,351

The receivables bear interest at 4.35% (2019: 4.35%) per annum. The amounts are unsecured and repayable on 19 May 2024. No estimated credit loss allowance is necessary.

18. Inventories

	Group	
	2020 **RMB'000**	**2019** **RMB'000**
Dental and medical supplies	**3,447**	3,538
Finished goods and goods for resale	**6,446**	6,477
Raw materials	**861**	775
	10,754	10,790

There are no inventories pledged as securities for liabilities.

19. Trade and other receivables, current

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Trade receivables:				
Outside parties	**21,228**	17,347	**–**	–
Subsidiaries (Note 3)	**–**	–	**5,000**	6,400
Less: Allowance on trade receivable	**(925)**	(610)	**–**	–
Less: Specific allowance	**–**	(284)	**–**	–
Subtotal	**20,303**	16,453	**5,000**	6,400
Other receivables:				
Outside parties	**2,175**	1,715	**17**	256
Staff loans	**2,005**	2,015	**–**	–
Deposits paid to suppliers	**3,112**	1,371	**–**	–
Subsidiary (Note 3)	**–**	–	**66**	279
Subtotal	**7,292**	5,101	**83**	535
Total trade and other receivables	**27,595**	21,554	**5,083**	6,935
Movements in above allowance				
Balance at beginning of the year	**894**	–	**–**	–
Change of impairment loss to profit or loss				
Written-off	**(284)**	–	**–**	–
Less: Allowance on trade receivable	**315**	610	**–**	–
Less: Specific allowance	**–**	284	**–**	–
Balance at end of the year	**925**	894	**–**	–

Trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix, and by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. In particular, the Group recognises loss allowance in full against all trade receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

A trade receivable is written-off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written-off is subject to enforcement activities.

19. Trade and other receivables, current (cont'd)

The Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as follows:

Group	Current RMB'000	Past due: Within 30 days RMB'000	Past due: 31 to 60 days RMB'000	Past due: 61 to 90 days RMB'000	Past due: More than 90 days RMB'000	Total RMB'000
2020						
ECL rate (%)	**1.3%**	**8.4%**	**29.8%**	**50.0%**	**18.4%**	**4.4%**
Trade receivables – gross	**16,969**	**1,792**	**289**	**212**	**1,966**	**21,228**
Loss allowance	**(221)**	**(151)**	**(86)**	**(106)**	**(361)**	**(925)**
Trade receivables – net	**16,748**	**1,641**	**203**	**106**	**1,605**	**20,303**
2019						
ECL rate (%)	*0.4%*	*12.8%*	*29.6%*	*57.8%*	*33.0%*	3.6%
Trade receivables –gross	14,499	1,480	142	64	878	17,063
Loss allowance	(52)	(189)	(42)	(37)	(290)	(610)
Trade receivables – net	14,447	1,291	100	27	588	16,453

The Group has many varied customers and which are considered to have low credit risk individually. The trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. At the end of the reporting year, a loss allowance of RMB925,000 (2019: RMB610,000) is recognised.

There are no collateral held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to outside party trade receivable customers is about 30 days (2019: 30 days). The Group's dental hospitals and clinics do not generally grant credit as services are usually settled in cash, "Yi Bao" (i.e. 中华人民共和国医疗保险), which is the PRC's social health insurance, and credit card payments. The trade receivables are mainly credit card payments that take a few days to settle. Subsidiaries engaged in the trading of dental surgery materials and equipment, and provision of laboratory services generally grant credit term of 30 days to 180 days (2019: 30 days to 180 days) to their customers.

Concentration of trade receivable customers as at the end of reporting year:

	Group 2020 RMB'000	Group 2019 RMB'000
Top 1 customer	**3,679**	3,362
Top 2 customers	**5,706**	5,084
Top 3 customers	**7,661**	6,725

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

19. Trade and other receivables, current (cont'd)

Other receivables, including staff loans, are non-trade in nature, non-interest bearing, unsecured and repayable on demand or within the next twelve months from the reporting date.

The deposits have been assessed to be placed with counterparties that are creditworthy and accordingly, no allowance for non-recovery of these deposits is required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting year in assessing the loss allowance for trade and other receivables.

20. Other non-financial assets

	Group		Company	
	2020 RMB'000	**2019 RMB'000**	**2020 RMB'000**	**2019 RMB'000**
Non-current				
Sign-on bonus	**243**	314	**242**	314
Others	**6**	36	**–**	–
Subtotal	**249**	350	**242**	314
Current				
Sign-on bonus	**57**	60	**57**	60
Prepayments	**1,955**	1,575	**96**	244
Subtotal	**2,012**	1,635	**153**	304
Total other assets	**2,261**	1,985	**395**	618

The sign-on bonus relates to payments made to Executive Director and Chief Executive Officer of the Group, Dr. Shao Yongxin, in relation to a 12-year service agreement before the date of the public listing of the Company.

Prepayments relate to partial payments in advance to non-trade suppliers.

21. Cash and cash equivalents

	Group		Company	
	2020 RMB'000	**2019 RMB'000**	**2020 RMB'000**	**2019 RMB'000**
Not restricted in use	**37,912**	26,956	**16,071**	2,843

The interest earning balances are not significant.

RMB is not freely convertible into foreign currencies and the remittance of these funds maintained with banks in the PRC by the Group out of the PRC is subject to currency exchange restriction amounting to RMB20,904,000 (2019: RMB23,107,000).

21. Cash and cash equivalents (cont'd)

21A. Reconciliation of liabilities arising from financing activities

	Group			
	Beginning of the year RMB'000	Cash flows RMB'000	Non-cash changes RMB'000	End of the year RMB'000
2020				
Borrowings	**–**	**14,814**	**–**	**14,814**
Bills payable	**4,288**	**(1,445)**	**–**	**2,843**
Lease liabilities	**44,132**	**(7,658)**	**2,742**	**39,216**
	48,420	**5,711**	**2,742**	**56,873**
2019				
Bills payable	937	3,351	–	4,288
Lease liabilities	–	(7,038)	51,170	44,132
	937	(3,687)	51,170	48,420

22. Share capital

	Group and Company	
	Number of shares issued '000	Share capital RMB'000
Ordinary shares of no par value:		
Balance at beginning and end of the reporting years 31 December 2019 and 31 December 2020	381,575	295,356

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Capital management:

In order to maintain its listing on the Singapore Exchange, the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interest showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk.

The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

22. Share capital (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2020 RMB'000	2019 RMB'000
Net debt:		
All current and non-current borrowings including leases	**56,873**	48,420
Less: Cash and cash equivalents	**(37,912)**	(26,956)
Net debt	**18,961**	21,464
Adjusted capital:		
Total equity	**223,345**	234,181
Debt-to-adjusted capital ratio	**8.49%**	9.17%

The favourable change as shown by the decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in cash and cash equivalents.

There were no changes in the Group's approach to capital management during the current and previous reporting years.

The Group is not subject to externally imposed capital requirements. However, the subsidiaries incorporated in the PRC are subject to currency exchange restrictions on the remittance of funds out of the PRC.

23. Other reserves

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Statutory reserve (Note 23A)	**7,932**	7,406	**–**	–
Share-based payment reserve (Note 23B)	**5,095**	3,329	**5,095**	3,329
Foreign currency translation reserve (Note 23C)	**3,712**	4,197	**7,792**	22,128
Other reserve (Note 23D)	**(71,920)**	(71,905)	**–**	–
	(55,181)	(56,973)	**12,887**	25,457

All reserves classified on the face of the statement of financial position as retained earnings represent past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

23A. Statutory reserve

In accordance with the relevant regulations in the People's Republic of China (the "PRC"), the subsidiaries in the Group incorporated in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve until the reserve balance reaches 50% of the registered capital. Subject to certain restrictions as set in the relevant PRC regulations, the statutory reserve which is not available for appropriation may be used to offset the accumulated losses, if any, of the subsidiaries.

23. Other reserves (cont'd)

23B. Share-based payment reserve

	Group and Company	
	2020 RMB'000	2019 RMB'000
At beginning of the year	**3,329**	1,978
Expense recognised in profit or loss, net (Note 7)	**1,766**	1,351
At end of the year	**5,095**	3,329

The share-based payment reserve comprises:

(a) Shares subscription by Honour Pte. Ltd.. The share issue price of S$0.12 (equivalent to RMB0.59) is S$0.08 (RMB0.39) lower than the IPO price of S$0.20 (RMB0.98). As prescribed in the agreement dated 11 July 2017 which was signed between the Company and Honour Pte. Ltd., eligible employees in the Group shall not sell or dispose the shares within 5 years from 14 July 2017. Hence, the difference between the issue price and IPO price amounting to RMB6,400,000 (S$1,308,000) is amortised to the profit or loss over 5 years as share-based payments.

(b) Cumulative value of employee services received for the issue of share awards. When share awards vested, the cumulative amount in the share-based payment reserve which relates to the valuable consideration received in the form of employee services is transferred to share capital / reserve for own shares.

23C. Foreign currency translation reserve

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
At beginning of the year	**4,197**	3,870	**22,128**	13,993
Exchange differences on translating foreign operations	**(485)**	327	**(14,336)**	8,135
At end of the year	**3,712**	4,197	**7,792**	22,128

The foreign currency translation reserve represents exchange differences arising from the translation of financial statements of the Company and a subsidiary, whose functional currency is in Singapore dollar, to the Group's presentation currency.

23D. Other reserve

Other reserve relates to the excess of the fair value of the shares issued over the net assets of the remaining equity interests in the subsidiaries acquired prior to 31 December 2016.

	Group	
	2020 RMB'000	2019 RMB'000
At beginning of the year	**(71,905)**	(71,905)
Written-off capital reserve	**(15)**	–
At end of the year	**(71,920)**	(71,905)

23. Other reserves (cont'd)

23E. Share plan (equity-settled)

Aoxin Q & M Employee Share Option Scheme

The Company has adopted a long-term employee incentive scheme known as Aoxin Q & M Employee Share Option Scheme (the "Scheme") that was approved by its shareholders at the Extraordinary General Meeting held on 9 January 2019. The Scheme will expire on 8 January 2029.

Under the Scheme, the aggregate number of shares arising from options which the ESOS Committee may grant on any date, when added to the number of shares allotted and issued in respect of (i) all options and awards granted under the Scheme and the Aoxin Q & M Performance Share Plan, and (ii) all options or awards granted under other incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day immediately preceding the date of grant of the option.

Since the adoption of the Scheme till the date of this statement:

- No options have been granted to the controlling shareholders of the Company and their associates;
- No options were granted to the directors of the Company;
- No options have been granted to directors and employees of the parent company and its subsidiaries;
- No participant has received 5% or more of the total number of options available under the Scheme;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

Share options

On 20 January 2020, the Company granted 2,441,000 options to one of the principal dentists of Jinzhou Aoxin Youxin Dental Clinic Co., Ltd., a subsidiary of the Company, to subscribe for 2,441,000 ordinary shares of the Company at an exercise price of S$0.20 per share, which is equal to the average of the last dealt prices of the shares on the SGX-ST over the five (5) consecutive market days immediately preceding the date of grant (the "2020 Options").

The 2020 Options are exercisable one year from the date of grant and will expire on 20 January 2030. The 2020 Options may be exercised in full or in respect of 1,000 shares or a multiple thereof, on payment of the exercise price at any time after one year from the date of grant of the 2020 Options, subject to the new shares upon exercise of the 2020 Options being moratorised up to 30 September 2022.

During the reporting year, there were no options vested or cancelled under the Scheme. As at 31 December 2020, the total number of the 2020 Options that remained outstanding and unvested was 2,441,000.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Aoxin Q & M Performance Share Plan

The Company has adopted the Aoxin Q & M Performance Share Plan (the "Plan") that was approved by its shareholders at the Extraordinary General Meeting held on 9 January 2019. The Plan will expire on 8 January 2029.

Under the Plan, the aggregate number of shares arising from awards which the PSP Committee may grant on any date, when added to the number of shares allotted and issued in respect of (i) all options and awards granted under the Scheme and the Plan, and (ii) all options or awards granted under other incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day immediately preceding the date of grant of the award.

23. Other reserves (cont'd)

23E. Share plan (equity-settled) (cont'd)

Aoxin Q & M Performance Share Plan (cont'd)

The objective of the Plan is to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. Full-time executives (including executive directors) of the Company, its subsidiary companies or associated companies who hold such rank as may be designated by the PSP Committee from time to time and non-executive directors are eligible to participate in the Plan.

Under the Plan, performance target(s), which shall be set according to the specific roles of the participant, will be at the discretion of the PSP Committee.

On 20 January 2020, the Company granted awards in respect of 960,565 performance shares to one of the principal dentists of Anshan Lishan District Aoxin Q & M Stomatology Polyclinic Co., Ltd., a subsidiary of the Company, that will 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 2020, the total number of performance shares that remained outstanding and unvested was 960,565.

Accounting for the share plans

The measurement of fair value for the PSP granted is based on the estimate of the grant date fair value using Black-Scholes option pricing model (Level 3).

The measurement of the fair value for the share option granted is based on share price at grant date. There is no material difference in the weighted average exercise price during the reporting year.

24. Trade and other payables

	Group		Company	
	2020 RMB'000	**2019 RMB'000**	**2020 RMB'000**	**2019 RMB'000**
Trade payables				
Outside parties and accrued liabilities	**14,595**	12,902	**2,154**	2,697
Other payables				
Subsidiary (Note 3)	**–**	–	**2**	2
Contract liabilities	**2,272**	1,000	**–**	–
Due to vendors of acquired subsidiaries	**2,880**	7,562	**2,880**	7,562
Outside parties	**2,943**	3,128	**102**	631
Subtotal	**8,095**	11,690	**2,984**	8,195
Total trade and other payables	**22,690**	24,592	**5,138**	10,892

The average credit period on purchases of goods and services is 30 to 180 days (2019: 60 to 120 days). Trade and other payables, comprising amounts outstanding for trade purchases and operating costs, are unsecured and non-interest bearing. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Other payables due to vendors of acquired subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. Refer to Note 16A for details.

The contract liabilities are advance considerations received from customers. Contract liabilities are recognised as revenue as and when the Group satisfies the performance obligations under its contracts and these are expected within a year.

25. Other financial liabilities

	Group 2020 RMB'000	Group 2019 RMB'000	Company 2020 RMB'000	Company 2019 RMB'000
Bank loans (unsecured) (Note 25A)	**14,814**	–	**14,814**	–
Bills payable (secured) (Note 25B)	**2,843**	4,288	**–**	–
	17,657	4,288	**14,814**	–
Presented in the statement of financial position as follows:				
Non-current	**13,035**	–	**13,035**	–
Current	**4,622**	4,288	**1,779**	–
	17,657	4,288	**14,814**	–

25A. Bank loans (unsecured)

The unsecured bank loans of RMB14,814,000 related to a 5-year temporary bridging loan ("TBL") extended by United Overseas Bank ("UOB").

25B. Bills payables (secured)

The bills payables bear floating interest rate ranges from 5.38% to 5.44% (2019: 5.26% to 5.44%) per annum. They are repayable within 6 months (2019: 6 month) and are secured or covered by corporate guarantee from the Company and secured by pledge of certain trade receivables.

26. Lease liabilities

	Group 2020 RMB'000	Group 2019 RMB'000	Company 2020 RMB'000	Company 2019 RMB'000
Non-current	**32,521**	37,614	**1,056**	1,345
Current	**6,695**	6,518	**211**	224
	39,216	44,132	**1,267**	1,569

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The leases are for dental and medical clinics and office premises. The lease contracts are usually for fixed periods of 1.2 to 11.0 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The lease liability above does not include the short-term leases and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

The weighted average incremental borrowing rate applied to lease liabilities recognised is between 5.2% and 6.4%.

A summary of the maturity analysis of lease liabilities is disclosed in Note 29E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 14.

26. Lease liabilities (cont'd)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2020 RMB'000	2019 RMB'000
Expense relating to short-term leases included in other expenses	**857**	1,129
Expense relating to leases of low-value assets included in other expenses	**79**	5
Total commitments on short-term leases at year end date	**92**	8

Total cash outflows for all leases in the year amount to RMB7,658,000 (2019: RMB7,038,000).

As at 31 December 2020, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

The Group's and the Company's lease liabilities are secured by the lessors' title to the leased assets.

27. Operating lease income commitment – as lessor

A maturity analysis of the undiscounted non-cancellable lease amounts to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years is as follows:

	Group	
	2020 RMB'000	2019 RMB'000
Between 1 and 2 years	**1,100**	1,100
Between 2 and 3 years	**183**	1,100
Between 3 and 4 years	**–**	183
Between 4 and 5 years	**–**	–
Total	**1,283**	2,383

The Group leases out equipment to a non-related party under operating leases. These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

28. 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:

	Group	
	2020 RMB'000	2019 RMB'000
Commitments to purchases of intangible asset - software	**464**	–
Commitments to purchases of property	**–**	5,130

29. Financial instruments: information on financial risks

29A. Categories of financial assets and liabilities

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

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Financial assets:				
Financial assets at amortised cost	**65,507**	48,510	**29,055**	20,129
Financial liabilities:				
Financial liabilities at amortised cost	**69,729**	64,450	**13,656**	4,899
Financial liabilities at FVPL	**7,562**	7,562	**7,562**	7,562
	77,291	72,012	**21,218**	12,461

Further quantitative disclosures are included throughout these financial statements.

29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- Minimise interest rate, currency, credit and market risks for all kinds of transactions.
- Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
- All financial risk management activities are carried out and monitored by senior management staff.
- All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

29. Financial instruments: information on financial risks (cont'd)

29C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

29D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings.

For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

29E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

The average credit period taken to settle current trade payables is about 30 to 180 days (2019: 60 to 120 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

29. Financial instruments: information on financial risks (cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows) at the end of the reporting year.

Group	Carrying amount RMB'000	Within 1 year RMB'000	Within 2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
2020					
Trade and other payables	**22,690**	**22,690**	**–**	**–**	**22,690**
Other financial liabilities	**17,657**	**5,017**	**13,566**	**–**	**18,583**
Lease liabilities	**39,216**	**7,901**	**29,288**	**8,402**	**45,591**
	79,563	**35,608**	**42,854**	**8,402**	**86,864**
2019					
Trade and other payables	24,592	24,592	–	–	24,592
Other financial liabilities	4,288	4,383	–	–	4,383
Lease liabilities	44,132	8,197	30,670	14,975	53,842
	73,012	37,172	30,670	14,975	82,817
Company					
2020					
Trade and other payables	**5,138**	**5,138**	**–**	**–**	**5,138**
Other financial liabilities	**14,814**	**2,104**	**13,566**	**–**	**15,670**
Lease liabilities	**1,267**	**260**	**1,040**	**260**	**1,560**
	21,219	**7,501**	**14,606**	**260**	**22,366**
2019					
Trade and other payables	10,892	10,892	–	–	10,892
Lease liabilities	1,569	272	1,088	544	1,904
	12,461	11,164	1,088	544	12,796

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

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.

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Within 1 year	
	2020 RMB'000	2019 RMB'000
Company		
Financial guarantee contracts – bank guarantee in favour of subsidiaries	**2,843**	4,288

29. Financial instruments: information on financial risks (cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the higher of (a) the amount of the loss allowance determined in accordance the financial reporting standard on financial instruments or (b) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of the financial reporting standard on revenue from contracts with customers.

29F. Interest rate risk

The Group is not exposed to significant interest rate risk.

29G. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group transacts business in various foreign currencies, including the Singapore dollar, United States dollar and Renminbi, and therefore is exposed to foreign exchange risk.

The Group's and the Company's exposures to currency risks are as follows:

	Singapore dollar		United States dollar	
Group	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Trade and other receivables	–	249	–	–
Cash and bank balances	14,007	2,036	263	162
	14,007	2,285	263	162
Financial liabilities:				
Trade and other payables	(2,273)	(3,335)	–	–
Other financial liabilities	(14,813)	–	–	–
Lease liabilities	(1,268)	(1,569)	–	–
	(18,354)	(4,904)	–	–
Net currency exposure on (financial liabilities) and financial assets	(4,347)	(2,619)	263	162

	Renminbi		United States dollar	
Company	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Trade and other receivables	5,000	6,400	–	–
Cash and bank balances	2,668	1,571	154	47
	7,668	7,971	154	47
Financial liabilities:				
Trade and other payables	(2,882)	(7,565)	–	–
Net currency exposure on financial assets	4,786	406	154	47

29. Financial instruments: information on financial risks (cont'd)

29G. Foreign currency risk (cont'd)

Sensitivity analysis:

Group	2020 RMB'000	2019 RMB'000
A hypothetical 10% (2019: 10%) strengthening in the exchange rate of the functional currency Renminbi against the Singapore dollar with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	**435**	262
A hypothetical 10% (2019: 10%) strengthening in the exchange rate of the functional currency Renminbi against the United States dollar with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	**(26)**	(16)
Company		
A hypothetical 10% (2019 : 10%) strengthening in the exchange rate of the functional currency Singapore dollar against Renminbi with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	**(479)**	(41)
A hypothetical 10% (2019 : 10%) strengthening in the exchange rate of the functional currency Singapore dollar against the United States dollar with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of	**(15)**	(5)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

30. Events after the end of the reporting year

On 21 December and 29 December 2020, the Company announced that all non-emergency medical treatments, including dental treatments in its operations in Dalian and Shenyang were temporarily suspended under the directive of the Health Authorities due to the fresh coronavirus cluster detected.

On 4 February and 26 February 2021, the Company announced that its dental hospitals and polyclinics listed in the table below had resumed operations after they fulfilled the required standard operating procedures and have met the reopening criteria governed by the Health Authorities:

Operations	Date of temporary closure	Date of operations resumption
Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd. ("Dalian Hospital")	19 December 2020	27 January 2021
Zhuanghe City Aoxin Dawei Dental Co., Ltd. ("Zhuanghe Polyclinic")	21 December 2020	25 January 2021
Shenyang Huanggu Aoxin Dental Clinic Co., Ltd. ("Huanggu Clinic")	27 December 2020	26 February 2021
Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd. ("Heping Polyclinic")	29 December 2020	2 February 2021
Shenyang Shenhe Aoxin Stomatology Polyclinic Co., Ltd. ("Shenhe Polyclinic")	29 December 2020	3 February 2021
Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. – Branch Hospital ("Shenyang Branch Hospital")	1 January 2021	18 January 2021

31. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Group are listed below.

SFRS(I) No.	Title
SFRS(I) 3	Definition of a Business – Amendments to
SFRS(I) 1-1 and 1-8	Definition of Material – Amendments to
SFRS(I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS(I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to
SFRS(I) 16	COVID-19 Related Rent Concessions (effective from 30 June 2020) – Amendments to

These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

32. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 3	Amendments to Definition of a Business – Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16	Amendments to Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
SFRS(I) 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (Annual Improvement Project)	1 January 2022
SFRS(I) 9	Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Group's financial statements in the period of initial application.

33. Reclassifications and comparative figures

Certain reclassifications were made to the prior year's financial statements to enhance comparability with the current year's financial statements as follows:

(i) Segment results for the reporting year ended 31 December 2019

	After reclassification RMB'000	Before reclassification RMB'000	Difference RMB'000
Primary healthcare	7,309	7,000	309
Distribution of dental equipment and supplies	(906)	(234)	(672)
Laboratory services	3,135	2,772	363

The reclassification arose as the segment results for the reporting year ended 31 December 2019 were stated after adjustment of amortisation of intangible assets and before the adjustment of SFRS(I) 16 and impairment loss allowance which have now been included.

33. Reclassifications and comparative figures (cont'd)

(ii) Expenditure for non-current assets for the reporting year ended 31 December 2019

	After reclassification RMB'000	Before reclassification RMB'000	Difference RMB'000
Primary healthcare	9,037	9,122	(85)
Distribution of dental equipment and supplies	5,467	5,777	(310)
Laboratory services	825	430	395

The reclassifications arose as the expenditure for non-current assets for the reporting year ended 2019 were stated before the elimination of intercompany transactions which have now been included.

(iii) Segment assets as at 31 December 2019

	After reclassification RMB'000	Before reclassification RMB'000	Difference RMB'000
Segment assets			
Primary healthcare	269,113	270,221	(1,108)
Distribution of dental equipment and supplies	24,358	24,440	(82)
Laboratory services	15,133	13,943	1,190

The reclassifications arose as the segment assets as at 31 December 2019 were stated before the adjustment of SFRS(I) 16 and impairment loss allowance which have now been included.

(iv) Segment liabilities as at 31 December 2019

	After reclassification RMB'000	Before reclassification RMB'000	Difference RMB'000
Segment liabilities			
Primary healthcare	62,190	63,460	(1,270)
Distribution of dental equipment and supplies	10,067	9,923	144
Laboratory services	2,166	1,040	1,126

The reclassifications arose as the segment liabilities as at 31 December 2019 were stated before the adjustment of SFRS(I) 16 which has now been included.

The above splits, regrouping or reclassifications did not require modifications and reclassifications to financial statements measurements. As permitted by the financial reporting standard on the presentation of financial statements the third statement of financial position at the beginning the preceding reporting year is not presented because above splits or regrouping have no material effect on the information in the statement of financial position at the beginning of the preceding period. However related notes relating to the above balances only (that were restated / reclassified in the statement of financial position) are presented. Apart from these disclosures, other balances and notes are not impacted by the restatements / reclassifications.

The financial statements for the reporting year ended 31 December 2019 were audited by other independent auditor (other than RSM Chio Lim LLP) whose report dated 30 April 2020 expressed an unmodified opinion on those financial statements.

Statistics Of Shareholdings

AS AT 19 MARCH 2021

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Number of issued shares	:	381,574,909
Number of treasury shares	:	NIL
Number of subsidiary holding	:	NIL

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	206	30.07	195,000	0.05
1,001 - 10,000	198	28.90	1,059,300	0.28
10,001 - 1,000,000	265	38.69	23,834,826	6.25
1,000,001 and above	16	2.34	356,485,783	93.42
Total	**685**	**100.00**	**381,574,909**	**100.00**

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

No.	Name	No. of shares	%
1	Q & M DENTAL GROUP (SINGAPORE) LIMITED	166,960,838	43.76
2	HEALTH FIELD ENTERPRISES LIMITED	109,401,709	28.67
3	HONOUR PTE. LTD.	16,346,000	4.28
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	16,084,000	4.22
5	FINEST INTERNATIONAL LIMITED	10,516,320	2.76
6	MOUNTAIN LIMITED	7,265,605	1.90
7	EXCLUSIVE INNOVATION PTE LTD	5,658,490	1.48
8	EXCELLENT WARSHIP INTERNATIONAL LIMITED	5,502,969	1.44
9	WEIXIA PTE LTD	3,754,781	0.98
10	TAN CHWEE HUAT	3,391,000	0.89
11	OCBC SECURITIES PRIVATE LTD	2,792,400	0.73
12	KWONG SIEW KIEN	2,634,800	0.69
13	JOYCE INTERNATIONAL LIMITED	2,026,471	0.53
14	CHEN YAN FENG	1,845,000	0.48
15	EMI COMAROFF	1,199,400	0.31
16	ANDREA CHUNG PUI PING	1,106,000	0.29
17	CHEAH KIM FEE	741,026	0.19
18	AUW SIEW AI SERENE	740,000	0.19
19	JAY HOE JUN JIN	700,000	0.18
20	QUAN MIN HOLDINGS PTE LTD	562,800	0.15
	Total:	**359,229,609**	**94.12**

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 19 March 2021, approximately 26.86% of the issued ordinary shares of the Company were held in the hands of the public. Accordingly, Rule 723 of the Catalist Rules, is complied with.

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	Name	Number of Shares	%	Number of Shares	%
1.	Q & M Dental Group (Singapore) Limited	166,960,838	43.76	–	–
2.	Health Field Enterprises Limited	109,401,709	28.67	–	–
3.	Quan Min Holdings Pte. Ltd. [1] [2]	2,562,800	0.67	166,960,838	43.76
4.	Dr. Ng Chin Siau [3]	10,000	0.003	169,533,638	44.43
5.	Dr. Shao Yongxin[4]	–	–	109,401,709	28.67
6.	Action Health Enterprises Limited[4][5]	–	–	109,401,709	28.67

Notes:

(1) Quan Min Holdings Pte. Ltd. is deemed to be interested in Q & M Dental Group (Singapore) Limited's shares by virtue of its 54.4% shareholdings in Q & M Dental Group (Singapore) Limited.

(2) 2,000,000 shares of the direct interest of Quan Min Holdings Pte. Ltd. are held through the nominee account with OCBC Securities Private Ltd.

(3) Dr. Ng Chin Siau is deemed interested in an aggregate of 169,523,638 shares held by Q & M Dental Group (Singapore) Limited and Quan Min Holdings Pte. Ltd. by virtue of his 47.89% shareholding in Quan Min Holdings Pte. Ltd.. He is also deemed interested in 10,000 shares held by his spouse, Madam Foo Siew Jiuan.

(4) Dr. Shao Yongxin is deemed interested in Health Field Enterprises Limited's shares by virtue of his 100% indirect shareholding in Health Field Enterprises Limited.

(5) Health Field Enterprises Limited is an investment holding company incorporated in the British Virgin Islands. Health Field Enterprises Limited is 100% held by Action Health Enterprises Limited, and investment holding company incorporated in the British Virgin Islands, which is in turn 100% held by Dr. Shao Yongxin.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Aoxin Q & M Dental Group Limited (the "**Company**") will be held by way of electronic means on Wednesday, 28 April 2021 at 2.30 p.m. (the "**AGM**") for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$160,000.00 for the financial year ended 31 December 2020. **(Resolution 2)**

3. To re-elect Dr. Shao Yongxin who is retiring pursuant to Regulation 117 of the Company's Constitution. **(Resolution 3)** [see Explanatory Note (i)]

4. To note that Mr. Vitters Sim Yu Xiong will be retiring pursuant to Regulation 117 of the Company's Constitution and he will not be seeking re-election at this AGM.

5. To re-appoint Messrs RSM Chio Lim LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

As Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the **"Act"**) and Rule 806 of the Listing Manual (Section B: Rules of Catalist) ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(I) (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(II) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force, provided that:

(a) the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) pursuant to this resolution, shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) other than on a *pro rata* basis to the existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (a) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

(c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Company's Constitution for the time being; and

(d) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 5)
[see Explanatory Note (ii)]

8. **Authority to allot and issue shares under the Aoxin Q & M Employee Share Option Scheme (the "Scheme") and Aoxin Q & M Performance Shares Plan (the "Share Plan")**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant share options and share awards in accordance with the provisions of the Scheme and the Share Plan to allot and issue and/or deliver from time to time such number of fully paid-up shares as may be required to be issued or delivered pursuant to the exercise of share options or the vesting of awards, provided that the aggregate number of shares available pursuant to the Scheme, the Share Plan and any other share-based schemes of the Company, shall not exceed 15% of the total issued shares of the Company (excluding any treasury shares) from time to time, and the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 6)
[see Explanatory Note (iii)]

By Order of the Board

Dr. Shao Yongxin
Executive Director and
Group Chief Executive Officer

Singapore, 13 April 2021

Explanatory Notes:

(i) In relation to Ordinary Resolution 3

Dr. Shao Yongxin will, upon re-election as a Director of the Company, remain as the Executive Director and Group Chief Executive Officer.

(ii) Ordinary Resolution 5, if passed, will empower the Directors of the Company, effective until conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this resolution) other than on a *pro rata* basis to all shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution.

(iii) Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective until conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant share options under the Scheme and grant of share awards under the Share Plan, which were approved at the Extraordinary General Meeting of the Company held on 9 January 2019, and to allot and issue and/or deliver from time to time such number of fully paid-up shares pursuant to the exercise of share options or the vesting of awards, provided that the aggregate number of Shares available pursuant to the Scheme, the Share Plan and any other share-based schemes of the Company, shall not exceed 15% of the total issued shares of the Company (excluding any treasury shares) from time to time.

IMPORTANT NOTES:

In light of the COVID-19 restriction orders in Singapore, the AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company is arranging for a live webcast and live audio feed of the AGM proceedings (the "**Live AGM Webcast**" or "**Live AGM Audio Feed**") which will take place on Wednesday, 28 April 2021 at 2.30 p.m. in place of the physical AGM. **Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.**

Printed copies of the Notice of AGM and accompanying Annual Report 2020 and proxy form will not be sent to members. Instead, these documents will be made available on SGXNet at http://www.sgx.com/securities/company-announcements and the Company's website at http://www.aoxinqm.com.sg.

Members will be able to participate in the AGM in following manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

1. Members may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, members will need to pre-register at http://aoxin.availeasemgdwebinar.com by 2.30 p.m. on 23 April 2021 (the "**Registration Deadline**") to enable the Company to verify their status.

2. Following verification, authenticated members will receive an email by 2.30 p.m. on 26 April 2021 containing a link to access the Live AGM Webcast or Live AGM Audio Feed according to their preferred mode of accessing the AGM proceeding selected during the pre-registration process.

3. Members must not forward the abovementioned link to other persons who are not members of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast or the Live AGM Audio Feed.

4. Members who have registered by the Registration Deadline but did not receive an email response by 2.30 p.m. on 27 April 2021 may contact the Company by email at qnm@aoxin.sg.

Submission of Proxy Forms to Vote:

1. **Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.**

2. Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The proxy form, duly completed and signed, must be submitted by:

   (a) mail to the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) email to sg.is.proxy@sg.tricorglobal.com,

   in either case, by no later than 2.30 p.m. on 25 April 2021, being 72 hours before the time fixed for the AGM. Any incomplete/improperly completed proxy form (including proxy form which is not appointing "Chairman of the Meeting" as proxy) will be rejected by the Company.

   Members are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation.

5. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 2.30 p.m. on 16 April 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 2.30 p.m. on 25 April 2021.

Submission of Questions in Advance:

1. **Please note that members will not be able to ask questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.**

2. Members may submit questions relating to the items on the agenda of the AGM by 2.30 p.m. on 21 April 2021, via email to qnm@aoxin.sg. For verification purposes, a shareholder who wishes to submit their questions by email is required to indicate their full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration number, email address, contact number, shareholding type and number of shares held together with their submission of questions, to the email provided.

3. The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNet and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM.

Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act):

Such investors (including SRS Investors) who wish to participate in the AGM by:

(a) observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;

(b) submitting questions in advance of the AGM; and/or

(c) voting by appointing the Chairman of the AGM as proxy at the AGM,

should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than 72 hours before the time of the AGM.

IMPORTANT REMINDER: Members should also note that the Company may be required to make further changes to its AGM arrangements at short notice as the COVID-19 situation evolves, and members should keep abreast of the Company's announcements that may be made from time to time on SGXNet.

The Company wishes to thank all members for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal data privacy:

By (i) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof or (ii) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (iii) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data and/or its representative's by the Company (or its agents or service providers) for the following purposes:

(a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(c) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and/or its representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**").*

*This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.*

The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration No.: 201110784M)
(the "Company")
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held by electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance via electronic means, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 13 April 2021 which has been uploaded on SGXNet and the Company's website on the same day.
2. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. This proxy form is not valid for use by investors holdings shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investor") (including investors holdings through Supplementary Retirement Scheme ("SRS") ("SRS Investors") and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A SRS Investors who wishes to vote should approach his/her SRS Operator by 2.30 p.m. on 16 April 2021, being seven (7) working days before the date of AGM to submit his/her voting instructions.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2021.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

This form of proxy has been made available on SGXNet and the Company's website and may be assessed at the URLs ***https://www.sgx.com/securities/company-announcements*** *and* ***https://www.aoxinqm.com.sg****. A printed copy of this proxy form will not be despatched to members.*

*I/We ______________________________ (Name)

*NRIC/Passport No./Co. Registration No. ______________________________

of ______________________________ (Address)

being a *member/members of the Company, hereby appoint the Chairman of the Meeting, as *my/our *proxy to attend and vote for *me/us on *my/our behalf at the AGM of the Company to be held at by way of electronic means via live webcast and live audio feed on Wednesday, 28 April 2021 at 2.30 p.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please tick [√] within the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions	For	Against	Abstain
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020			
2.	To approve the payment of Directors' fees of S$160,000.00 for the financial year ended 31 December 2020			
3.	To re-elect Dr. Shao Yongxin who is retiring pursuant to Regulation 117 of the Company's Constitution			
4.	To re-appoint Messrs RSM Chio Lim LLP as the Company's Auditors and to authorise the Directors to fix their remuneration			
	SPECIAL BUSINESS			
5.	To authorise Directors to allot and issue shares			
6.	To authorise Directors to allot and issue shares under the Scheme and Share Plan			

Dated this __________ day of ____________________ 2021.

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal of Corporate Member

** Delete accordingly*

IMPORTANT: Please Read Notes for this Proxy Form

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the shares held by you.

2. Members will not be able to vote online or through the live webcast or the live audio feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf. Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

5. Where an instrument appointing the Chairman of the AGM as proxy is signed and authorised on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.

6. The instrument appointing the Chairman of the AGM as proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, or emailed to: sg.is.proxy@sg.tricorglobal.com, not less than 72 hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

   Members are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument appointing the Chairman of the AGM as proxy. In addition, in the case of the members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 13 April 2021.

Directory Of Aoxin Q & M's Outlets

OUTLET	ADDRESS	TEL
DENTAL HOSPITALS		
Huludao Aoxin Q & M Stomatology Hospital Co., Ltd. 葫芦岛奥新全民口腔医院有限公司	No. 81A, Longwan Street, Longgang District, Huludao City, Liaoning Province 辽宁省葫芦岛市龙港区龙湾大街81A	86-429-821-0555
Gaizhou City Aoxin Q & M Stomatology Hospital Co., Ltd. 盖州市奥新全民口腔医院有限公司	Room 107-207, 1-2/F, Building 8, Huayang Garden, Xicheng Office, Gaizhou City, Liaoning Province 辽宁省盖州市华阳花园小区8号楼1-2层107-207	86-417-767-3688
Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd. 盘锦奥新全民口腔医院有限公司	Block 0A04-0A05, LeYuan Community, Xinglongtai District, Panjin City, Liaoning Province 辽宁省盘锦市兴隆台区乐园小区0A04-0A05栋	86-427-651-7777
Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd. 大连奥新全民口腔医院有限公司	No. 172, Jinma Road, Development District, Dalian City, Liaoning Province 辽宁省大连市开发区金马路172号	86-411-8761-7777
Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. 沈阳奥新全民口腔医院有限公司	No. 196 DaNan Street, Shenhe District, Shenyang City, Liaoning Province 辽宁省沈阳市沈河区大南街196号	86-24-2481-8888
Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. – Branch Hospital (Shenyang City Shenhe District No. 6 Hospital) 沈阳奥新全民口腔医院有限公司- 口腔分院（沈阳市沈河区第六医院）	No. 181 Zhongjie Road, Shenhe District, Shenyang City, Liaoning Province 辽宁省沈阳市沈河区中街路181号	86-24-2481-6666
DENTAL POLYCLINICS		
Shenyang Heping Q & M Aoxin Stomatology Polyclinic Co., Ltd. 沈阳和平全民奥新口腔门诊部有限公司	No. 31, Xita Street, Heping District, Shenyang City, Liaoning Province 辽宁省沈阳市和平区西塔街31号	86-24-2481-5555
Shenyang Shenhe Aoxin Stomatology Polyclinic Co., Ltd. 沈阳沈河奥新口腔门诊部有限公司	Lot F623, No. 173, QingNian Main Street, Shenhe District, Shenyang City, Liaoning Province 辽宁省沈阳市沈河区青年大街173号F623号商铺	86-24-8411-1333
Shenyang Huanggu Aoxin Dental Clinic Co., Ltd. 沈阳皇姑奥新口腔门诊部有限公司	No. 11 Kunshan Middle Road, Huanggu District, Shenyang City, Liaoning Province 辽宁省沈阳市皇姑区昆山中路11号	86-24-8626-1199
Huludao City Aoxin Stomatology Polyclinic Co., Ltd. 葫芦岛市奥新口腔门诊部有限公司	No. 17-19, Lida Development Xinhua Street, Bohai Street, Lianshan District, Huludao City, Liaoning Province 辽宁省葫芦岛市连山区渤海街利达开发新华大街17#-19	86-429-218-6003
Huludao Longgang District Aoxin Stomatology Polyclinic Co., Ltd. 葫芦岛龙港区奥新口腔门诊有限公司	No. D, Building 55-3, Long Wan Street, Longgang District, Huludao City, Liaoning Province 辽宁省葫芦岛市龙港区龙湾大街55-3号楼D	86-429-203-3777
Anshan Lishan District Aoxin Q & M Stomatology Polyclinic Co., Ltd. 鞍山立山区奥新全民口腔门诊部有限公司	No. 149, Shengli North Road, Lishan District, Anshan City, Liaoning Province 辽宁省鞍山市立山区胜利北路149号	86-412-643-1666
Panjin Jinsai Q & M Stomatology Co., Ltd. 盘锦金赛全民口腔有限责任公司	No. 169, Shengli Street, Shuangtaizi District, Panjin City, Liaoning Province 辽宁省盘锦市双台子区胜利街169号	86-427-381-1118
Panjin Jingcheng Q & M Stomatology Co., Ltd. 盘锦精诚全民口腔有限责任公司	No. 7, Building E of Xin Guang Sha Tower, Xinglongtai District, Panjin City, Liaoning Province 辽宁省盘锦市兴隆台区新广厦E座7号商网	86-427-780-4899
Zhuanghe City Aoxin Dawei Dental Co., Ltd. 庄河市奥新大伟口腔有限公司	No. 10, Xiangyang Road 2nd Section, Chengguan Street, Zhuanghe City, Liaoning Province 辽宁省大连庄河市城关街道向阳路二段10号	86-411-8985-6668
Jinzhou Aoxin Youxin Dental Clinic Co., Ltd. 锦州奥新尤信口腔门诊有限公司	No. 14-77 Anheli, Linghe District, Jinzhou City, Liaoning Province 辽宁省锦州市凌河区安和里14-77号	86-416-331-7777
DENTAL DISTRIBUTION & SUPPLIES		
Shenyang Maotai Q & M Medical Equipment Co., Ltd. 沈阳茂泰全民医疗设备有限公司	Room 2101, No. 107 Nanjing North Street, Heping District, Shenyang City, Liaoning Province 辽宁省沈阳市和平区南京北街107号(2101)	86-24-2287-4848
DENTAL LABORATORY		
Shenyang Qingaomei Oral Restorative Technology Co., Ltd. 沈阳清奥美口腔镶复技术有限公司	Room 601, Block C, No. 113 Nanjing North Street, Heping District, Shenyang City, Liaoning Province 辽宁省沈阳市和平区南京北街113号和泰运恒国际C座601室	86-24-8673-7370

AOXIN Q&M

AOXIN Q & M DENTAL GROUP LIMITED
(Company Registration No.: 201110784M)
80 Robinson Road #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 4399