



AOXIN Q&M

AOXIN Q & M DENTAL GROUP LIMITED

**STEADY GROWTH,
FOCUSED EFFICIENCY**

ANNUAL REPORT 2024



STEADY GROWTH, FOCUSED EFFICIENCY

FY2024 marked a year of steady growth and focused efficiency for Aoxin Q & M Dental Group Limited. We achieved a credible result and performance despite operating under a highly competitive market environment through disciplined cost management and operational excellence. Strengthening core healthcare services in Northeast China, revitalising laboratory operations in Singapore, and optimising dental equipment distribution have laid a solid foundation for future growth. Our commitment to innovation, strategic reinvestment, and operational efficiency positions Aoxin to capitalise on emerging opportunities. As we move forward, we remain dedicated to delivering exceptional dental care, creating sustainable value, and ensuring long-term success for our shareholders, employees, and communities.

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The annual report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") and the Exchange 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 Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg



VISION 愿景

To become the leading
dental healthcare group in
Northern China
成为中国北部领先的牙科
医疗集团

MISSION 使命

Business growth
发展事业
Contribution to society
造福社会
Providing quality healthcare
呵护健康

CORE VALUES 核心价值观

Kindness 厚德
Professionalism 精业
Diligence 勤勉
Ambition 致远



AT A GLANCE

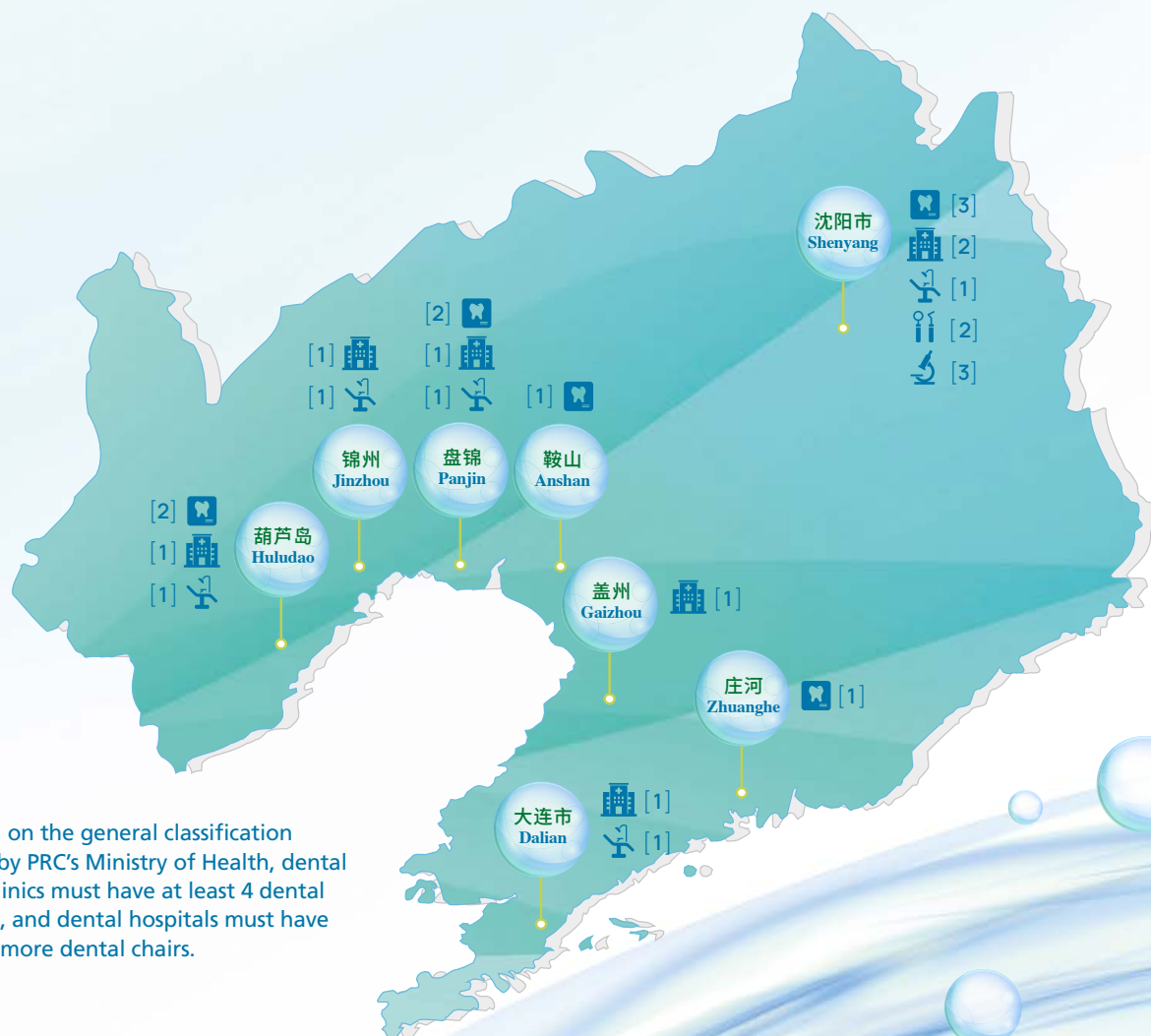
ABOUT AOXIN Q & M

Aoxin Q & M Dental Group Limited ("Aoxin Q & M", together with its subsidiaries, the "Group") is a leading provider of private dental healthcare services in Liaoning Province, Northern PRC. The Group currently operates 16 dental centres, comprising 9 dental polyclinics and 7 dental hospitals, located across 8 cities in Liaoning Province, namely, Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Anshan and Dalian. We currently have 401 dental professionals, including 146 dentists, 165 dental surgery assistants and 90 laboratory technicians. A majority of our dental centres are accredited as Designated Medical Institutions of Medical Insurance in PRC.

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.

Aoxin Q & M owns a 49% shareholding stake in Acumen Diagnostics Pte. Ltd. ("Acumen"). Acumen's business segments consist of (i) the laboratory business and (ii) offering COVID-19 vaccinations to the Singapore public pursuant to the tender contract with MOH at the Sengkang JTVC. As at the date of report, Acumen is dormant subsequent to the cessation of its laboratory business on 15 September 2024 and the expiry of Sengkang JTVC contract on 1 December 2024.

Aoxin Q & M was listed on the Catalist board of the Singapore Exchange Securities Trading Limited on 26 April 2017.



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.

GROUP STRUCTURE



MESSAGE TO SHAREHOLDERS



DEAR SHAREHOLDERS,

As we reflect on the financial year ended 31 December 2024 ("FY2024"), I am honoured to present a year defined by resilience, strategic clarity, and measurable progress. Aoxin Q&M Dental Group Limited ("Aoxin" or "the Group") navigated a complex landscape marked by post-pandemic recovery, shifting market dynamics, and organisational challenges, emerging stronger and more focused on our core mission: delivering exceptional dental care while creating sustainable value for all our stakeholders.

The Group achieved **steady revenue growth of 3.6% to RMB183.7 million**, driven by robust demand for primary dental services in Northeast China and a standout **18.8% surge in laboratory revenue** following our strategic expansion into Singapore. Equally noteworthy is our near-breakeven performance, with net losses reduced from RMB47.3 million in FY2023 to **RMB1.8 million in FY2024**. This remarkable turnaround reflects disciplined cost management, operational efficiency, and proactive portfolio adjustments.

While FY2024 presented challenges to us as a Group, including the expiry of Acumen Diagnostics' laboratory license and the closure of its Sengkang vaccination centre, these developments sharpened our focus on core strengths. Our operations in Liaoning Province, bolstered by government initiatives such as the Healthy China 2030 Plan and rising public awareness of oral health, remain the bedrock of our business. Simultaneously, our Singapore laboratory venture validated our ability to diversify geographically and tap high-margin opportunities in advanced diagnostics.

This year's results underscore our commitment to balancing growth with prudence, ensuring Aoxin emerges stronger, leaner, and ready to capitalise on emerging opportunities.

Financial Highlights

The Group's financial performance in FY2024 reflects a disciplined approach to growth and cost optimisation. Revenue increased by **RMB6.5 million** year-on-year, reaching **RMB183.7 million**. This growth was anchored by our primary healthcare segment, which contributed **RMB119.3 million**, a **2.9%** increase over FY2023. The Group delivered an outstanding performance by achieving a Net Profit After Tax (excluding impairments and share of results due to associates) of RMB12.5 million in FY2024, compared to a loss of RMB1.5 million in FY2023. The rise in patient numbers across

our clinics in Shenyang and other key cities in Liaoning Province demonstrates the enduring demand for quality dental care in Northeast China alongside a growing middle-class in China.

Our laboratory services segment also delivered commendable results, with revenue climbing 18.8% to RMB22.8 million. This growth was fueled by our successful entry into Singapore's dental prosthetics market, where we established partnerships with private clinics and hospitals. The segment's gross margin improved to 22.9%, a testament to stringent cost controls and operational efficiencies. While our dental equipment distribution segment saw a modest 1.2% decline to RMB41.6 million, this was largely attributable to reduced government hospital spending—a trend we are addressing through diversification into private healthcare providers.

Cost management remained a priority. Depreciation expenses fell by 16.1%, driven by the full depreciation of ageing assets, while other operating expenses decreased by 10.7% through renegotiated supplier contracts and streamlined administrative processes. Employee benefits expenses, though rising 3.3% to RMB79.4 million, remained stable at 43.2% of revenue, reflecting productivity gains and investments in talent retention.

Importantly, excluding one-time impairments and associate losses, the Group generated an **operating profit of RMB12.5 million**, a stark reversal from the RMB1.5 million loss in FY2023. This underscores the underlying strength of our core operations. Liquidity also improved significantly, with cash reserves growing 36.6% to RMB69.9 million, positioning us to fund future growth initiatives.

Challenges during the year centered on our 49%-owned associate, Acumen Diagnostics. The expiry of its laboratory license and closure of the Sengkang vaccination centre contributed to a **RMB14.2 million share of associate loss**. However, these are non-recurring setbacks, and the Board does not anticipate further material impacts from Acumen in FY2025.

Outlook & Strategy

As we look to FY2025, the Board is cautiously optimistic. Macroeconomic uncertainties persist, including inflationary pressures and evolving healthcare policies. However, structural tailwinds—such as rising oral health awareness in China and advancements

in dental technology—present significant opportunities. Our strategy prioritises stability, innovation, and strategic reinvestment in high-growth segments.

- **Strengthening Core Healthcare Services in China**

Northeast China continues to serve as the cornerstone of our operations, underpinned by stable demand for quality dental care and supportive government policies, including the Healthy China 2030 Plan. To align with regional healthcare priorities and address gaps in accessibility, we plan to selectively expand our presence in Liaoning Province, where appropriate, targeting underserved areas where patient needs remain unmet, and supported by partnerships with local health authorities, including for example, the Shenyang Municipal Health Commission.

Our expansion strategy emphasises sustainability over rapid scaling, ensuring each new facility is equipped with trained personnel and robust operational frameworks. We are reinforcing our service portfolio to meet evolving patient preferences, particularly in orthodontics and implantology. Investments in specialised training programs for clinicians aim to address rising demand for aesthetic and restorative treatments driven by an aging population and growing middle-class affluence.

- **Policy-Driven Market Opportunities**

The nationwide implementation of centralised procurement policies for dental implants has significantly shaped the market landscape. Over the past two years, these policies have improved affordability and accessibility, enabling a broader patient base to pursue implant treatments. This has not only increased awareness of dental health solutions but also spurred a rise in patient visits for complementary services such as restorations, periodontal care, and root canal treatments.

Guided by state and local policies aimed at standardising and strengthening private healthcare, the regulatory environment continues to favour established players with robust systems and scalable infrastructure.

While growth opportunities are evident, we remain mindful of macroeconomic uncertainties and regional competition. Our approach prioritises prudent capital allocation, with a focus on clinics demonstrating clear pathways to profitability. By maintaining our commitment to patient-centric care—evidenced by personalised treatment plans and transparent pricing models—we aim to solidify trust and loyalty in our core markets. These efforts, combined with ongoing collaborations with local institutions for community outreach, position Aoxin to sustainably capture growth in Northeast China's recovering dental sector, playing to its strengths in talent development, brand equity, and operational systems.

- **Revitalising Laboratory Services**

Building on our Singapore success, we aim to consolidate operations and explore partnerships in both China and Southeast Asia. The laboratory segment will leverage partnerships and relationships to grow and maximise revenue.

- **Operational Excellence and Digital Transformation**

Talent development remains a top priority for the Group, with a focus on new training programs for clinical staff and partnerships with dental schools to attract young professionals and to retain top talent to best serve our patients.

- **Strategic Portfolio Management**

With Acumen's operations now ceased, resources previously allocated to its turnaround will be redirected to core businesses. The Board continues to remain nimble to evaluate potential opportunities as and when they arise.

Conclusion

FY2024 was a year of transformation. We addressed legacy challenges, streamlined operations, and reinforced our competitive edge in China's dental care market. The resolution of Acumen-related issues, while difficult, allows us to concentrate fully on our strengths: delivering exceptional patient care, innovating for the future, and maintaining financial discipline.

The road ahead demands vigilance, but the Board is confident in our strategy. Our robust liquidity, strong market position in Northeast China, and growing regional presence in laboratory services provide a solid foundation for sustainable growth. We remain committed to transparency, ethical governance, and creating long-term value for shareholders, employees, and communities.

Appreciation

On behalf of the Board, I extend heartfelt gratitude to all who contributed to this year's achievements:

Firstly, to our **Shareholders**: Your trust and patience during this transitional year have been invaluable. Your continued support inspires us to strive for excellence.

In addition, our **Employees**, especially the teams in Liaoning, Shenyang, and Singapore—your resilience, expertise, and dedication are the heart of Aoxin. Special recognition goes to our laboratory team in Singapore, who launched operations ahead of schedule despite logistical challenges.

To all our **partners** and **collaborators** in the Shenyang Municipal Health Commission, Healthier SG clinics, and regional distributors—your partnership enables us to deliver on our mission as we strive to always put our best foot forward in all that we do.

We would also like to take this opportunity to thank Dr Ong Siew Hwa for her time serving as both Executive Director of Aoxin and Chief Executive Officer of Acumen Diagnostics Pte. Ltd. (49% owned by Aoxin).

Lastly, we also thank the respective regulatory authorities in all the places we operate in. Your guidance ensures we align with national health priorities while maintaining the highest standards of care for all our patients who put their trust in us on a daily basis.

Together, we are building a stronger Aoxin—one poised to lead in an evolving healthcare landscape, driven by innovation, integrity, and an unwavering commitment to improving lives.

With renewed optimism,

Mr Chua Ser Miang

Non-Executive Chairman

Dr Shao Yongxin

Executive Director and Group Chief Executive Officer

BOARD OF DIRECTORS



MR. CHUA SER MIANG, 56
Non-Executive Chairman/Independent Director

Date of Appointment 30 March 2017

Date of Last Re-appointment 26 April 2023

Length of service as a director (as at 31 December 2024) 7 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

The re-appointment of Mr. Chua Ser Miang as Non-Executive Chairman and Independent Director 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.

Academic & Professional Qualifications

- Master of Science in Global Finance & Banking, King's College London
- Bachelor of Business Administration (Honours), National University of Singapore
- Chartered Financial Analyst, CFA Institute
- Chartered Valuer and Appraiser, Intitute of Valuers and Appraiser, Singapore
- Senior Accredited Director, Singapore Institute of Directors
- Member of Institute of Singapore Chartered Accountants

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2025) NIL

Family Relationship None

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

Present

Listed Companies

- LS 2 Holdings Limited
- Kori Holdings Limited
- PC Partner Group Limited

Past (for the last 5 years)

- Acumen Diagnostics Pte. Ltd.
- Acumen Research Laboratories Pte. Ltd.
- VC Plus Limited
- China Knowledge Data Technology Pte. Ltd.
- Yamada Green Resources Limited
- Eastwin Capital Pte. Ltd.

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)

Conflict of interest (including any competing business) NIL



DR. SHAO YONGXIN (邵永新), 63

Executive Director and Group Chief Executive Officer

Date of Appointment 24 February 2017

Date of Last Re-appointment 26 April 2024

Length of service as a director (as at 31 December 2024)

7 years 10 months

Country of Principal Residence People's Republic of China

Board's Comments on the Appointment

Not applicable. Dr. Shao Yongxin is not subjected to re-election.

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 2025) 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



DR. ONG SIEW HWA, 53

Executive Director

Date of Appointment 1 November 2021

Date of Last Re-appointment 26 April 2024

Date of Resignation 22 March 2025

Length of service as a director (as at 31 December 2024)

3 years 2 months

Country of Principal Residence Singapore

Board's Comments on the Appointment

Not applicable. Dr. Ong Siew Hwa is not subjected to re-election.

Job Title and Area of Responsibility

Executive Director

- Oversee the overall management of the business of Acumen Diagnostics Pte. Ltd. and its subsidiary

Academic & Professional Qualifications

- Doctor of Philosophy, National University of Singapore, Institute of Molecular and Cell Biology, A*STAR, Singapore
- Bachelor of Science (Honours), National University of Singapore

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2025)

88,021,818 (direct interest)

Family Relationship None

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

Present

Non-listed companies

- Camtech Pte. Ltd.
- Curetis GmbH

Past (for the last 5 years)

- SME Centre @ SMF Pte. Ltd.
- Acumen Holdings Pte. Ltd.
- Acumen Diagnostics Pte. Ltd.
- Acumen Research Laboratories Pte. Ltd.

Working Experience and Occupation(s) over the last 10 years

- Executive Director of Aoxin Q & M Dental Group Limited (November 2021 to 22 March 2025)
- Adjunct Assistant Professor, Department of Microbiology, Yong Soo Lin School of Medicine at National University of Singapore (February 2004 to present)
- Chief Executive Officer and Chief Scientist of Acumen Diagnostics Pte. Ltd. (April 2020 to 2024)
- Founder and Chief Executive Officer of Acumen Research Laboratories Pte. Ltd. (January 2010 to 2024)

Conflict of interest (including any competing business) NIL

BOARD OF DIRECTORS



PROFESSOR CHEW CHONG YIN, 79
Independent Director

Date of Appointment 30 March 2017
Date of Last Re-appointment 28 April 2022
Length of service as a director (as at 31 December 2024)
 7 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

The re-appointment of Professor Chew Chong Yin as Independent Director 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.

Academic & Professional Qualifications

- Bachelor of Dental Surgery, University of Singapore
- Master of Dental Surgery, University of Singapore
- Doctor of Philosophy, National University of Singapore
- Master of Science in Dentistry, Indiana University

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2025)

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

- 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)

- President, Singapore Dental Council, Ministry of Health (Until April 2021)

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, 66
Independent Director

Date of Appointment 30 March 2017
Date of Last Re-appointment 26 April 2023
Length of service as a director (as at 31 December 2024)
 7 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 2025)

NIL

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)

NIL

Working Experience and Occupation(s) over the last 10 years

- Director at Charles Lin LLC (2017 to present)
- Consultant at MyintSoe & Selvaraj (2011 to 2017)

Conflict of interest (including any competing business) NIL



MS. NG SOOK HWA, 54
Non-Executive and Non-Independent Director

Date of Appointment 6 May 2022
Date of Last Re-appointment 26 April 2023
Length of service as a director (as at 31 December 2024) 2 years 8 months
Country of Principal Residence Singapore

Board's Comments on the Appointment

Not applicable. Ms. Ng Sook Hwa is not subjected to re-election.

Academic & Professional Qualifications

- Bachelor of Commerce, Finance & Marketing from Curtin University of Technology
- Master of Accounting from Curtin University of Technology
- Member of CPA Australia

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2025) NIL

Family Relationship

Ms. Ng is the sister of Dr. Ng Chin Siau, a Non-Executive and Non-Independent Director of the Company. Dr. Ng is also the Non-Independent Executive Director and Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited, who is a deemed controlling shareholder of the Company. Dr. Ng is Q & M Dental Group (Singapore) Limited's nominee on the Company's Board.

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

Present

Non-listed companies

- TP Dental Surgeons Pte. Ltd.
- Tiong Bahru Dental Surgery Pte. Ltd.
- Bright Smile Dental Surgery Pte. Ltd.
- Q & M Dental (Shanghai) Pte. Ltd.
- Q & M Dental Holdings (Shenzhen) Pte. Ltd.
- Q & M Professionals Holding Pte. Ltd.
- Q & M Dental Holdings (Malaysia) Pte. Ltd.
- Q & M Free Dental Clinic Limited
- Aesthetics Dental Surgery Pte. Ltd.
- Lee & Lee (Dental Surgeons) Pte. Ltd.
- EM2Ai Pte. Ltd.
- AR Dental Supplies Sdn. Bhd.

Past (for the last 5 years) NIL

Working Experience and Occupation(s) over the last 10 years

- Chief Financial Officer of Q & M Dental Group (Singapore) Limited (May 2022 to present)
- Group Financial Controller of Q & M Dental Group (Singapore) Limited (June 2011 to May 2022)

Conflict of interest (including any competing business) NIL



DR. NG CHIN SIAU, 57
Non-Executive and Non-Independent Director

Date of Appointment 15 June 2023

Date of Last Re-appointment 26 April 2024

Length of service as a director (as at 31 December 2024) 1 year 7 months

Country of Principal Residence Singapore

Board's Comments on the Appointment

Not applicable. Dr. Ng Chin Siau is not subjected to re-election.

Academic & Professional Qualifications

- Bachelor of Dental Surgery, National University of Singapore

Shareholding interest (direct & deemed) in the Company and its subsidiaries (as at 19 March 2025)

163,300 (direct interest)

170,243,638 (deemed interest)

Family Relationship

Dr. Ng is the brother of Ms. Ng Sook Hwa, a Non-Executive and Non-Independent Director of the Company. Ms. Ng is the current Chief Financial Officer of Q & M Dental Group (Singapore) Limited, who is a deemed controlling shareholder of the Company. She is also Q & M Dental Group (Singapore) Limited's nominee on the Company's Board.

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

Present

Listed companies

- Q & M Dental Group (Singapore) Limited

Non-listed companies

- Q & M Dental Group (China) Pte. Ltd.
- Q & M Dental Holdings (Malaysia) Pte. Ltd.
- Q & M Free Dental Clinic Limited
- Acumen Research Laboratories Pte. Ltd.
- Acumen Diagnostics Pte. Ltd.
- Quan Min Holdings Pte. Ltd.
- Q & M Professionals Holding Pte. Ltd.
- EM2AI Professional Holdco Pte. Ltd.
- APDSA Alumni Pte. Ltd.

Past (for the last 5 years)

- EM2Ai Pte. Ltd.
- Aidite (Qinhuangdao) Technology Co., Ltd.
- Q & M Dental Surgery (Molek) Sdn. Bhd.
- Q & M Dental Surgery (Austin) Sdn. Bhd.

Working Experience and Occupation(s) over the last 10 years

- Founder and Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited (November 1996 to present)

Conflict of interest (including any competing business)

As at the date of this annual report, the Audit Committee ("AC") is of the view that there is no actual conflict of interest arising from Dr. Ng's interest in Q & M Dental Group (Singapore) Limited.

AC is also of the view that the potential conflicts of interest has been mitigated by, inter alia, the non-compete undertaking provided by Q & M Dental Group (Singapore) Limited to the Company, which is effective upon the listing of the Company and until the earlier of the date Q & M Dental Group (Singapore) Limited ceases to be the Company's Controlling Shareholder, or the date on which the Company ceases to be listed on the SGX-ST (the "Non-Compete Period"). Further measures to address any potential conflict of interests are stated on pages 228 and 229 of the Company's Offer Document dated 18 April 2017.

Please refer to the Company's Offer Document dated 18 April 2017 pages 222 to 229 for more details on potential conflict of interest of the Company.

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.

Mr. Cui Guo An | Chief Operating Officer

Mr. Cui was appointed as 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. Loo Keat Choon | Financial Controller

Mr. Loo joined the Group as Deputy Financial Controller in March 2022 and was promoted to Financial Controller in September 2022. Prior to joining the Group, Mr. Loo was the Finance Manager of A-Sonic Logistics Pte Ltd from October 2012 to February 2022. From February 2009 to October 2012, he was the Senior Accountant at DKSH Singapore Pte Ltd and Group Accountant in WIS Holding Pte Ltd. Prior to Year 2009, he was an auditor in Ernst and Young LLP and Cypress Singapore PAC.

Mr. Loo holds a Bachelor's Degree in Accounting from University of Hertfordshire (UK). He is also a Fellow of the Association of Chartered Certified Accountants (UK) and Member of Institute of Singapore Chartered Accountants.

Mr. Huang Zhen Xing | Deputy General Manager

Mr. Huang began his career in 2006 as Assistant Engineer at Hongtai Group (Xiamen) Co., Ltd. (宏泰集团(厦门)有限公司). In 2008, he took on the role of Operations Manager at Nanjing Quanmin Dental Clinic Co., Ltd. (南京权民口腔诊所有限公司) and in Guangzhou Guangpo Trading Co., Ltd. (广州市广坡贸易有限公司) thereafter.

Mr. Huang joined the Group's subsidiary company, namely Shanghai Q&M Investment Management Consulting Co., Ltd. (上海全民投资管理咨询有限公司) as Operations Manager in 2011. As a result of Group restructuring, he was internally transferred to Shenyang Quanmin Management Consulting Co., Ltd. (沈阳全民管理咨询有限公司) and Shenyang Quanxin Medical Equipment Leasing Co., Ltd. (沈阳全鑫医疗设备租赁有限公司) in 2014 and 2016 respectively and was in charge of the operations of various group entities. With more than 10 years of experience with the Group, Mr. Huang was promoted to Deputy General Manager of the Group on 1 March 2025.

Mr. Huang is a graduate of Xiamen Jimei University (厦门市集美大学) (Bachelor's Degree in Automation(2006)).

Mr. Zhang Dong Wei | Deputy General Manager (Finance)

As the Group's Deputy General Manager (Finance), Mr. Zhang assists the Group's Financial Controller, Mr. Loo, 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 Meihoukou, 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).

HIGHLIGHTS OF FY2024

KEY FIGURES



TOTAL REVENUE
RMB183.7M



ADJUSTED EBITDA
RMB30.4M*



NAV PER SHARE
RMB51.8 CENTS



CURRENT RATIO
3.7X



NO. OF CLINICS/HOSPITALS
16 (IN 8 CITIES)



NO. OF DENTAL CHAIRS
236



NO. OF DENTISTS
146



NO. OF DENTAL SURGERY ASSISTANTS +
LABORATORY TECHNICIANS
255

* Excluding share of loss of associate amounting to RMB14.2million.

FINANCIAL REVIEW

INTRODUCTION

For the 12 months ended 31 December 2024 ("FY2024"), Aoxin Q & M Dental Group Limited ("Aoxin" or the "Group") saw a year of steady progress and strategic advancements.

Despite a challenging environment, Aoxin achieved a 3.6% increase in revenue to RMB183.7 million, driven by a 2.9% rise in the primary healthcare segment and an impressive 18.8% growth in laboratory services, following the Group's successful expansion into Singapore. This growth was supported by an overall increase in patient numbers seeking dental treatments and strong operational performance across key segments.

In Northeast China, particularly in cities like Shenyang, the dental market is experiencing a post-COVID-19 resurgence, driven by rising awareness of oral health, technological advancements, and government initiatives such as the "Healthy China 2030 Plan".

Notably, the Group significantly reduced its net loss from RMB47.3 million in FY2023 to RMB1.8 million in FY2024, demonstrating improved financial resilience and operational efficiency. Barring any unforeseen circumstances, there are no known significant changes in the trends and competitive conditions in which the Group operates and no other known factors or events that may adversely affect the Group in the next 12 months.

REVENUE

The Group's revenue increased by RMB6.4 million or 3.6% from RMB177.3 million for the financial year ended 31 December 2023 ("FY2023") to RMB183.7 million for the financial year ended 31 December 2024 ("FY2024").

Revenue from the Group's primary healthcare segment increased by 2.9% from RMB115.9 million in FY2023 to RMB119.3 million in FY2024. The higher revenue was mainly due to an overall increase in patient numbers seeking dental treatments.

Revenue from distribution of dental equipment and supplies segment decreased by 1.2% from RMB42.2 million in FY2023 to RMB41.6 million in FY2024. This was mainly due to lower demand for dental equipment from government hospitals arising from a reduction in government capital expenditure budget.

Revenue from laboratory services segment increased by 18.8% from RMB19.2 million in FY2023 to RMB22.8 million in FY2024. The increase was mainly due to business expansion from China to Singapore.

Other Income and Gains

Other income and gains increased by 2.6% or RMB0.1 million from RMB3.4 million in FY2023 to RMB3.5 million in FY2024 mainly due to higher government grant/incentive and higher rental discount/waiver received from the landlords.

EXPENSES

Cost of consumables and dental supplies

Consumables and dental supplies used increased by 3.1% from RMB16.8 million in FY2023 to RMB17.3 million in FY2024, which was in line with the increase in revenue from the primary healthcare segment.

As a percentage of revenue from the primary healthcare segment, cost of consumables and dental supplies used in FY2024 and FY2023 was 14.5%.

Cost of sales in dental equipment and supplies

Cost of sales in dental equipment and supplies decreased by 2.3% from RMB36.5 million in FY2023 to RMB35.7 million in FY2024, which was due to the decrease in revenue from the distribution of dental equipment and supplies segment.

As a percentage of revenue from the distribution of dental equipment and supplies segment, cost of sales in dental equipment and supplies in FY2024 was 85.7% as compared to 86.6% in FY2023.

Cost of laboratory services

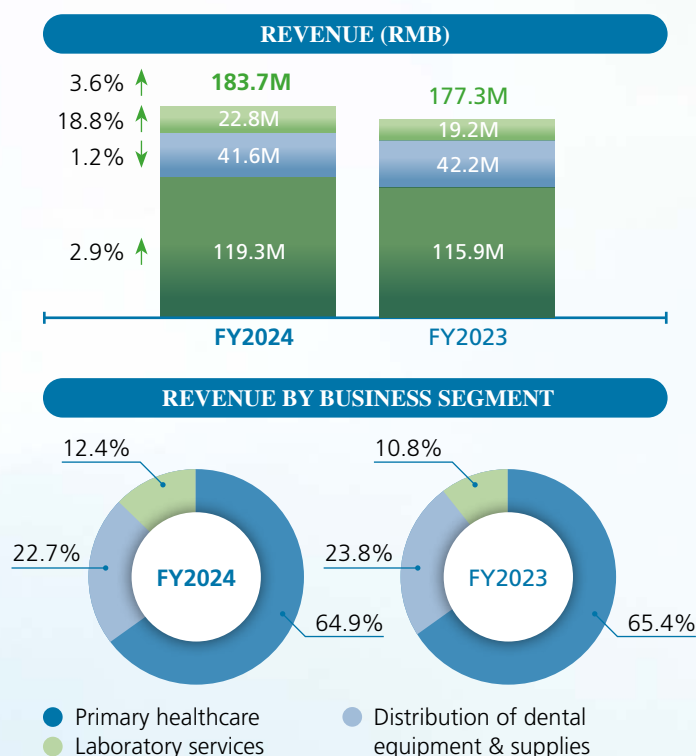
Cost of laboratory services increased by RMB0.5 million or 11.3% from RMB4.7 million in FY2023 to RMB5.2 million in FY2024. The increase was mainly due to the 18.8% increase in revenue from laboratory services segment.

As a percentage of revenue from the laboratory services segment, cost of laboratory services was 22.9% in FY2024 as compared to 24.4% in FY2023. The higher gross profit margin for FY2024 was mainly due to material cost and inventory control.

Employee benefits expenses

Employee benefits expense increased by 3.3% from RMB76.9 million in FY2023 to RMB79.4 million in FY2024.

As a percentage of revenue, employee benefits expense was 43.2% in FY2024 as compared to 43.4% in FY2023.



Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 16.1% from RMB17.8 million in FY2023 to RMB15.0 million in FY2024. The decrease was mainly due to certain property, plant and equipment fully depreciated in FY2023.

Impairment loss on investment in an associate

In FY2024, no impairment loss on investment in an associate following the share of loss of an associate amounting to RMB14.2 million, as the net asset value of the associate is approximately the carrying amount of the investment in an associate. In FY2023, the impairment loss of RMB46.9 million was provided due to weak performance of associates arising from the relaxing of Covid-19 control measures in many countries, including Singapore.

Other expenses

Other expenses decreased by 10.7% or RMB2.2 million from RMB20.8 million in FY2023 to RMB18.6 million in FY2024. The decrease was mainly due to decrease in professional fees to dentists, advertisement fees, motor vehicle expenses and entertainment expenses.

As a percentage of revenue, other expenses in FY2024 decreased to 10.1% from 11.7% in FY2023.

Other losses

Other losses decreased RMB3.1 million from RMB3.9 million in FY2023 to RMB0.8 million in FY2024.

The decrease in other losses was mainly due to the reduction in foreign exchange adjustment losses, impairment loss on plant and equipment, inventories write-down, bad debts written off and reversal of prior year's profit guarantee income.

Share of results of associate

Share of results of associate decreased from a profit of RMB1.1 million in FY2023 to a loss of RMB14.2 million in FY2024. The decrease was largely due to the impairment of assets held by the associate as a result of the expiry of laboratory licence and cessation of government contract for Covid-19 vaccination.

Income tax expense

The tax expense was RMB1.4 million in FY2024 as compared to RMB3.2 million in FY2023. The lower tax expense in FY2024 as compared to prior year was largely due to adjustments made in FY2023 on changes in tax rates on deferred tax balance recognised.

Loss, net of tax

For the reasons given above, the Group recorded a net loss of RMB1.8 million in FY2024 as compared to a net loss of RMB47.3 million in FY2023. Profit/(loss) net of tax excluding impairment loss on investment in an associate and share of results of associate for FY2024 was profit of RMB12.5 million as compared to a loss of RMB1.5 million in FY2023.

STATEMENT OF FINANCIAL POSITION

The comparative performance for both the assets and liabilities is based on the Group's financial position as at 31 December 2024 and 31 December 2023.

Non-Current Assets

Property, plant and equipment decreased by RMB6.0 million, from RMB34.4 million as at 31 December 2023 to RMB28.4 million as 31 December 2024. The decrease was mainly due to depreciation during the year.

Right-of-use ("ROU") assets decreased by RMB6.0 million, from RMB29.4 million as at 31 December 2023 to RMB23.4 million as at 31 December 2024, mainly due to depreciation of ROU assets. The Group's ROU assets are related to premises leased by the Group for its dental centres and business units.

Investment in an associate decreased by RMB14.2 million from RMB20.9 million as at 31 December 2023 to RMB6.7 million as at 31 December 2024 due to share of loss amounting to RMB14.2 million.

Deferred tax assets decreased by RMB1.1 million due to utilisation of prior years' unutilised losses and expiry of unutilised losses which had previously recognised as deferred tax assets.

Current Assets

Trade and other receivables increased by RMB2.4 million, from RMB37.5 million as at 31 December 2023 to RMB39.9 million as at 31 December 2024. The increase was largely due to an increase in trade receivables from primary healthcare as a result of higher revenue from the segment.

Cash and cash equivalents increased by RMB18.7 million, from RMB51.2 million as at 31 December 2023 to RMB69.9 million as at 31 December 2024. For details on fluctuation of cash and cash equivalents, please refer to the cash flow movements analysis below.

Non-Current Liabilities

Lease liabilities decreased by RMB6.6 million, from RMB17.5 million as at 31 December 2023 to RMB10.9 million as at 31 December 2024 due to payment of lease liabilities.

Current Liabilities

Trade and other payables increased by RMB2.1 million, mainly due to accrual of employee costs and other operating expenses.

STATEMENT OF CASH FLOWS

The Group's net cash flows generated from operating activities in FY2024 was RMB30.2 million. This was mainly attributable to operating cash inflows before changes in working capital of RMB30.1 million and increase in trade and other payables of RMB2.1 million, and partially offset by increase in trade and other receivables of RMB2.4 million.

Net cash used in investing activities in FY2024 was RMB2.2 million, which was mainly due to acquisition of plant and equipment for the Group's operations.

Net cash flows used in financing activities in FY2024 was RMB9.3 million, mainly due to the repayment of lease liabilities and interest as well as repayment of bank loan.

As a result of the above, the Group's cash and cash equivalents stood at RMB69.9 million as at 31 December 2024.

CORPORATE SOCIAL RESPONSIBILITY

企业社会责任

As a company deeply committed to corporate stewardship, Aoxin Q&M continues to embrace a holistic view of success, recognising that our achievements are intrinsically linked to the well-being and prosperity of the communities we serve. Our dedication to corporate social responsibility (CSR) reflects our belief that true value creation extends beyond financial returns for our shareholders to encompass a positive and lasting impact on society.

In FY 2024, our CSR efforts were marked by a series of impactful initiatives aimed at improving access to quality dental and oral healthcare, particularly for underserved communities, and promoting education in multiple regions, including Dalian, Shenyang, Huludao, Jinzhou, and Panjin, and involved partnerships with schools, government agencies, community groups, and other organisations.

Focus Areas

1. Education and Awareness:

We continued to prioritise education as a cornerstone of our CSR efforts. Throughout the year, we organised numerous oral health talks and educational sessions in schools, kindergartens, and community centers that are designed to raise awareness about the importance of dental hygiene and preventive care, particularly among children and the elderly.

2. Enhancing Access to Quality Dental Care:

Recognising the critical link between oral health and overall well-being, we focused on providing essential dental care to underserved populations. Our initiatives included free dental check-ups, treatments, and preventive care for communities that lack access to quality healthcare services.

Community Engagement and Impact

Our CSR activities in FY 2024 were not only about providing services but also about fostering meaningful partnerships with the community and empowering our employees to be agents of positive change. Our staff actively participated in these initiatives, demonstrating their commitment to making a tangible difference in the lives of others.

Key Achievements in FY 2024

- **Dalian:**
 - Conducted free dental check-ups for over 1,500 individuals, including some 977 kindergarten children.
 - Partnered with local schools and community groups to provide oral health education and screenings.
 - Organised multiple free dental care events for veterans and other underserved groups.
- **Shenyang:**
 - Provided free dental check-ups for just under 2,000 individuals, including school staff, veterans, and local residents and children.

- Collaborated with local organisations to offer oral health education and preventive care in schools and communities.
- Organised large-scale dental health events, reaching hundreds of participants.
- **Huludao:**
 - Partnered with local schools to provide oral health education and free screenings for hundreds of students.
 - Conducted free dental check-ups for local residents, including children and the elderly.
 - Organised community outreach programs to raise awareness about the importance of dental hygiene.
- **Jinzhou:**
 - Collaborated with local hospitals to provide free dental screenings for students across multiple schools.
 - Organised community dental health events, reaching hundreds of participants.
 - Provided free dental care for local residents, including children and the elderly.
- **Panjin:**
 - Conducted large-scale dental health events in collaboration with local schools and community groups, reaching thousands of individuals.
 - Provided free dental check-ups and treatments for underserved populations.
 - Organised oral health education sessions in schools and communities.

Employee Engagement and Pride

Our CSR initiatives also served as a source of pride for our employees, who actively participated in projects they believed in. By engaging with the community and advocating for access to quality dental healthcare, our staff reinforced our commitment to making a positive impact. We firmly believe that such access is fundamental to enhancing overall health and well-being, leading to myriad positive outcomes for individuals and communities alike.

Looking Ahead

As we move into FY 2025, we remain steadfast in our mission to promote good health, empower communities, and create a brighter, healthier future for all. We will continue to expand our CSR efforts, focusing on education, preventive care, and access to quality dental healthcare for underserved populations. We are committed to pursuing a path of responsible and sustainable business practices that benefit all our stakeholders, ensuring that our growth is inextricably linked to the health and vitality of the communities we serve. Through our collective efforts, we aim to create lasting impacts that extend far beyond the realms of dental healthcare, fostering a healthier, more equitable society for generations to come.

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
Dr. Ong Siew Hwa*
Executive Director
Professor Chew Chong Yin
Independent Director
Mr. Lin Ming Khin
Independent Director
Ms. Ng Sook Hwa
Non-Executive and Non-Independent Director
Dr. Ng Chin Siau
Non-Executive and Non-Independent Director

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Chan Wan Mei

REGISTERED OFFICE

9 Raffles Place #26-01
Republic Plaza
Singapore 048619
Tel: (65) 6236 3333

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
9 Raffles Place #26-01
Republic Plaza
Singapore 048619

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

AUDITORS

RSM SG Assurance LLP
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095

Partner-in-charge: Chan Weng Keen
(Public Accountants and Chartered Accountants Singapore)
Effective from financial year ended 31 December 2020

* Resigned on 22 March 2025.



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CORPORATE GOVERNANCE REPORT

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 2024 (“**FY2024**”), 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 Catalyst (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

BOARD MATTERS

The Board’s Conduct of 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 judgement 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.

CORPORATE GOVERNANCE REPORT

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/her knowledge. On an annual basis or as and when necessary, each Director is also required to submit details of his/her 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/she 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 *inter alia*:

- (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;
- (j) Approval of half yearly and year end result announcements and the release thereof; and
- (k) 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.

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.

CORPORATE GOVERNANCE REPORT

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 FY2024, the Directors were provided with briefings and/or updates on: (i) the developments in financial reporting by the external auditor, RSM SG Assurance 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 meeting; and (iii) updates relating to changes in the Catalist Rules and the Code by the sponsor, PrimePartners Corporate Finance Pte. Ltd. In addition, all the Directors have attended the sustainability training course as prescribed by the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) to equip themselves with basic knowledge on sustainability matters.

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 for FY2024 is set out below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Mr. Chua Ser Miang	Chairman	Chairman	Member	Member
Professor Chew Chong Yin	Member	Member	Member	Chairman
Mr. Lin Ming Khin	Member	Member	Chairman	Member
Dr. Shao Yongxin	Member	–	–	–
Dr. Ong Siew Hwa [#]	Member	–	–	–
Ms. Ng Sook Hwa	Member	–	–	–
Dr. Ng Chin Siau	Member	–	–	–

[#] Dr. Ong Siew Hwa resigned as Executive Director on 22 March 2025.

CORPORATE GOVERNANCE REPORT

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 FY2024 and the attendance of each Director, where relevant, are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of Meeting held	4	3	1	1
	No. of Meetings attended			
Name of Directors				
Mr. Chua Ser Miang	4	3	1	1
Professor Chew Chong Yin	4	3	1	1
Mr. Lin Ming Khin	4	2	1	1
Dr. Shao Yongxin	3	2*	1*	1*
Dr. Ong Siew Hwa #	3	2*	1*	1*
Ms. Ng Sook Hwa	2	2*	-	-
Dr. Ng Chin Siau	2	2*	-	-

* By Invitation

Dr. Ong Siew Hwa resigned as Executive Director on 22 March 2025

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 quarterly and 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 FY2024, the Directors communicate regularly with the Group CEO and the key management personnel.

CORPORATE GOVERNANCE REPORT

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

For FY2024, the Board comprises seven (7) Directors, comprising two (2) Executive Directors; three (3) Independent Non-Executive Directors; and two (2) Non-Independent and Non-Executive Directors. As at date of Report, the Board reduced to six (6) Directors, comprising one (1) Executive Director; three (3) Independent Non-Executive Directors; and two (2) Non-Independent and Non-Executive Directors. 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 an 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 Group Chief Executive Officer ("Group CEO"))
Professor Chew Chong Yin (Independent Director)
Mr. Lin Ming Khin (Independent Director)
Ms. Ng Sook Hwa (Non-Executive and Non-Independent Director)
Dr. Ng Chin Siau (Non-Executive and Non-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 composition 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. Details of the Directors' qualifications and experience are presented in the section entitled "Board of Directors" of this Annual Report. 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.

The Company has put in place a Board Diversity Policy. This policy sets out the framework for promoting 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, skills, expertise, gender, age and other relevant factors as a key element to support the attainment of objective and development of the Group. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. As at FY2024, the Board comprises four (4) Directors with deep industry experience, two (2) Directors with accounting/financial management experience, one (1) Director with legal background and the Directors' ages range from 52 to 79.

CORPORATE GOVERNANCE REPORT

In recognition of the importance of gender as an important aspect of diversity, we strive to have at least one female director on the Board. As at FY2024, the Board has two female directors. Notwithstanding this, we will continue to ensure that:

1. Any brief to external search consultants to search for potential candidates for appointment to the Board will include a requirement to present female candidates:
2. Suitable female candidates (if selected) will be considered by the NC whenever it seeks to identify a new Director for appointment to the Board.

Through these measures, we target to consistently maintain appropriate female representation on the Board, recognising that the Board's needs will change over time. The Board conducts annual reviews to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board, of which enables the Board to maintain and/or enhance balance and diversity. The NC and the Board are of the view that the aims and target of the Company towards achieving board diversity has currently been met and sufficiently addressed, after taking consideration in the various aspect aforementioned, and having considered the existing needs, direction and overall strategy of the Group. Accordingly, the Board is of the view that its current practices are consistent with the aim of Principle 2 of the Code and the requirements of Catalist Rule 710A.

Non-Executive Directors

Currently, Non-Executive Directors (including Independent Directors) make up a 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. For FY2024, Non-Executive Directors (including the Independent Directors) meet regularly in the absence of the management.

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.

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, which came into effect on 11 January 2023, an Independent Director who has held his or her position for an aggregate period of more than nine (9) years (whether before or after listing) will cease to be independent thereafter. However, such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company for the financial year ended on or after 31 December 2024. None of the Independent Directors have served for more than nine (9) years from the date of their appointments.

Rules 406(3)(d)(i), 406(3)(d)(ii) and 406(3)(d)(iii) 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.

CORPORATE GOVERNANCE REPORT

The NC has determined that the Independent Directors are independent in accordance with the Code. The Independent Non-Executive Directors, save for Mr. Chua Ser Miang who was a director of Acumen Diagnostics Pte. Ltd. and Acumen Research Laboratories Pte. Ltd. until 28 March 2025, Professor Chew Chong Yin, 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 an 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. With effect from 1 January 2022, Rule 406(3)(c) of the Catalist Rules requires independent directors to make up at least one-third of the Board. As at FY2024, the Board comprising seven (7) Directors, three (3) of whom are independent and two (2) of whom are non-executive and non-independent. As of date of report, the Board reduced to six (6) Directors, comprising three (3) of whom are independent and (2) of whom are 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 Group CEO are separate persons, and there is a clear division of responsibilities between the Chairman and the Group 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 Independent Chairman and Group CEO are distinctly separate, the Independent Chairman is not part of executive management and is an Independent Director, the Board has an element of independence with three (3) out of seven (7) Directors (as of FY2024) 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.

CORPORATE GOVERNANCE REPORT

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. The NC comprises the following members:

Mr. Lin Ming Khin	(Chairman)
Professor Chew Chong Yin	(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 Group 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 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.

CORPORATE GOVERNANCE REPORT

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/her duties as a Director of the Company. The NC takes into consideration the contributions of the individual Director and his/her 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 FY2024.

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, board diversity consideration 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/she 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/her appointment or re-appointment as a Director of the Company.

The Board has accepted NC's recommendation to seek shareholders' approval to re-elect Mr. Chua Ser Miang and Professor Chew Chong Yin at the forthcoming AGM.

The NC has recommended that Mr. Chua Ser Miang and Professor Chew Chong Yin be nominated for re-election pursuant to Regulations 117 of the Company's Constitution 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. Mr. Chua Ser Miang and Professor Chew Chong Yin had abstained from the Board's deliberation in respect of the acceptance of the NC's recommendation of his/her re-election as a Director of the Company.

CORPORATE GOVERNANCE REPORT

Mr. Chua Ser Miang will, upon re-election as a Director of the Company, remain as Independent Director and Non-Executive Chairman, Chairman of the AC and a member of the RC and NC. Mr Chua Ser Miang will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Professor Chew Chong Yin will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of RC and a member of AC and NC. Professor Chew Chong Yin will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

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 Directors who are submitting themselves for re-election is disclosed below to be read in conjunction with the information in the section entitled "Additional Information on Director seeking Re-election" of this Annual Report.

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.

CORPORATE GOVERNANCE REPORT

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 (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. Additionally, the RC considers termination terms, if any, to ensure they are fair.

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.

CORPORATE GOVERNANCE REPORT

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 FY2024.

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 fixed salary and 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 RC, subject to Dr. Shao Yongxin's performance.

Dr. Ong Siew Hwa's role was to oversee the overall management of the business of Acumen Diagnostics Pte. Ltd. ("Acumen") and its subsidiary namely Acumen Research Laboratories Pte. Ltd. ("Acumen Research"). Other than Director fee of S\$30,000 for FY2024, her remuneration package is in Acumen. On 26 October 2024, the Acumen Board had, pursuant to service agreement exercise Acumen's contractual right to terminate Dr Ong Siew Hwa's employment as Chief Executive office of Acumen and on 16 December 2024, Dr. Ong Siew Hwa had ceased to be a director of Acumen and Acumen Research. In addition, pursuant to a settlement agreement entered into on 22 March 2025 between Dr. Ong Siew Hwa, the Company, Q & M Dental Group (Singapore) Limited, Acumen and Acumen Research (Acumen's wholly-owned subsidiary), Dr. Ong Siew Hwa resigned as Executive Director on the same date.

Please refer to Principle 8 for more details on Dr. Shao Yongxin and Dr. Ong Siew Hwa's remuneration for FY2024.

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 remuneration of the Executive Directors and key management personnel comprise primarily a basic salary component and a variable 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.

CORPORATE GOVERNANCE REPORT

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 RC and approval of the Board. For FY2024, there were two (2) Executive Directors, only Dr. Ong Siew Hwa received Directors' fees during the year. The Non-Executive and Non-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 FY2024 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 unless 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) and a variable component (cash-based annual bonus), where applicable, taking into account amongst other factors, the individual's performance and the performance of the Group and industry practices.

A breakdown showing mix of each individual Director's remuneration paid/payable for FY2024 is as follows:

	Salary		Bonus		Benefits ⁽¹⁾		Directors' Fees ⁽²⁾		Total	
	S\$	%	S\$	%	S\$	%	S\$	%	S\$	%
Name										
Mr. Chua Ser Miang	—	—	—	—	—	—	75,000	100	75,000	100
Dr. Shao Yongxin ⁽³⁾	125,000	99	1,860	1	—	—	—	—	126,860	100
Dr. Ong Siew Hwa ⁽⁴⁾	—	—	—	—	—	—	30,000	100	30,000	100
Professor Chew Chong Yin	—	—	—	—	—	—	45,000	100	45,000	100
Mr. Lin Ming Khin	—	—	—	—	—	—	45,000	100	45,000	100
Ms. Ng Sook Hwa	—	—	—	—	—	—	35,000	100	35,000	100
Dr. Ng Chin Siau	—	—	—	—	—	—	35,000	100	35,000	100

Notes:

1. Benefits refer to mainly employer's contribution to the Central Provident Fund or equivalent.
2. The Directors' Fees are subject to approval by shareholders at the forthcoming AGM.
3. For FY2024, Dr. Shao Yongxin did not receive any monthly service fees, and had only received a fixed salary.
4. Dr. Ong Siew Hwa resigned as Executive Director on 22 March 2025.

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For FY2024, the Group only has four (4) key management personnel who are not Directors or the Group CEO. For FY2024, the aggregate remuneration paid to all the key management personnel of the Group amounted to approximately S\$402,000.

The details of remuneration of the key management personnel is set out below:

	Remuneration Band ⁽¹⁾	Salary	Bonus	Benefits ⁽²⁾	Total
Name		%	%	%	%
Mr. Loo Keat Choon	A	77	12	11	100
Dr. Bai Yi	A	88	12	–	100
Mr. Zhang Dong Wei	A	89	–	11	100
Mr. Cui Guo An	A	77	23	–	100

Notes:

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

For FY2024, the details of the remuneration of employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the Group CEO or a substantial shareholder of the Company, are set out as follows:

	Remuneration Band ⁽¹⁾	Salary	Bonus	Benefits ⁽²⁾	Total
Name		%	%	%	%
Mdm Shao Li Hua ⁽³⁾	A	100	–	–	100

Notes:

1. Band A: Below S\$100,000
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.

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

Provision 8.1 of the 2018 Code requires disclosure of the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (i) each individual director and the Group CEO paid by the Company and its subsidiaries.; and (ii) at least the top five key management personnel (who are not directors or the Group CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel. The policy and criteria used in setting the level of remuneration is based on various factors including performance of the Group, industry practices and the individual's performance and contributions towards achievement of corporate objectives and targets.

In respect of the names, amounts and breakdown of the remuneration paid to each director, in line with provision 8.1 of the 2018 Code and Rule 1204(10D) of the Catalyst Rules, the total remuneration of each Director has been disclosed in dollar and percentage terms.

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.

CORPORATE GOVERNANCE REPORT

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 FY2024.

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. Since commencement of the Schemes, there was only one grant of the performance shares to a principal dentist of the subsidiary, which has lapsed as at 31 December 2024. Please refer to the section entitled “Statement by Directors” 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 with the assistance of the AC 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, compliance and information technology 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 CLA Global TS Risk Advisory Pte Ltd (“**CLA Global TS**”) as the internal auditors to review the internal control processes of the Group. CLA Global TS is an independent network member of CLA Global Limited (“**CLA Global**”), a leading global organisation comprises independent accounting and advisory firms. CLA Global TS is the member firm for Singapore, Southeast Asia and China; and CLA Global’s key leading firm in Asia. CLA Global TS provides a full spectrum of professional services and 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 18 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 CLA Global TS, the Board is satisfied with the Company’s levels of risk tolerance and risk policies for FY2024, 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, 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.

CORPORATE GOVERNANCE REPORT

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 and FC as well as review performed by the internal auditors and review of internal accounting controls that are relevant to the statutory audit performed by the 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 risks of the Group for FY2024.

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 Company'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 Company, and that the Management demonstrates and stimulates the necessary aspect of the Company'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 members, who joined the Company since 30 March 2017, collectively, have the recent and 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.

The AC, including the AC Chairman comprises the following members:

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

All AC members are independent Directors and not former partners or directors or the Company's external auditors. The AC meets half-yearly 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;

CORPORATE GOVERNANCE REPORT

- (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 although he would also report administratively to the Group 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;

CORPORATE GOVERNANCE REPORT

- (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;
- (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; and
- (t) review the sustainability report.

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 for them to highlight any material weaknesses or deficiencies over the Group's internal controls and financial reporting system respectively.

External Auditors

During the financial year under review, the Group has incurred an aggregate RMB1,239,000 paid to the external auditors for its audit services. The external auditors, RSM SG Assurance LLP, including RSM network firms and alliance firms of RSM SG Assurance LLP, did not provide non-audit related services to the Group and the Company.

The Company confirms that it has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors. The AC 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. The Board and Audit Committee have approved the nomination of RSM SG Assurance LLP for re-appointment as the external auditors of the Company at the forthcoming AGM.

No former partner or director of the Company's existing external auditors has acted as a member of the Company's AC.

Internal Audit

The Company's internal audit function is outsourced to CLA Global TS that reports directly to the AC. 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.

CORPORATE GOVERNANCE REPORT

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; and
- (d) to conduct internal review the Sustainability Reporting process starting from FY2022.

The AC has reviewed the report submitted by CLA Global TS on the internal procedures and the internal controls that are in place, and is satisfied that there are adequate internal controls in the Company. The AC will review on an annual basis the adequacy and effectiveness of the internal audit function. The AC is satisfied that the internal audit function is independent, effective and adequately resourced for FY2024.

Whistle-Blowing Policy

The Company has in place a Whistle-blowing Policy which sets out the procedures for a whistle-blower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers. Under the Whistle-blowing Policy, it is provided, *inter alia*, that (a) the Company has designated the Audit Committee Chairman who will seek Financial Controller's assistance as and when required, to act as an independent function to investigate whistle-blowing reports made in good faith; (b) the Company will ensure that the identity of the whistle-blower will be kept confidential, unless it is required, *inter alia*, by law to do otherwise; (c) the Company is committed to ensure that all whistle-blowers will be protected against detrimental or unfair treatment or reprisal for whistle-blowing in good faith; and Audit Committee is responsible for the oversight and monitoring of the procedures for a whistle-blower to make complaints and for the investigation of complaints, including the execution and review of the Whistle-blowing Policy.

The Whistle-blowing Policy has a well-defined process which begins with a complaint being submitted via email to whistleblowing@aoxin.sg to the Audit Committee Chairman who will seek Financial Controller's assistance as and when required to perform a preliminary review of the complaint received, provided that the Financial Controller's involvement does not present a conflict of interest, particularly if the complaint pertains to management. If he determines that the complaint is valid and within the scope of the Whistle-blowing Policy, he will report it to the Audit Committee accordingly, which will review the facts of the complaint and determine with the appropriate course of action. Anonymous complaints are not disregarded and will also be investigated. The whistle-blowing policy can also be found at the Company's website at <http://www.aoxingm.com.sg>. There was no incidents reported or complaints submitted pertaining to whistle-blowing during FY2024 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.

CORPORATE GOVERNANCE REPORT

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. Notice of general meeting is issued at least 14 clear days before the scheduled date of such meeting. Notice of Annual General Meeting 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>.

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 1967 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 directors and the external auditors attended the previous AGM of the Company held on 26 April 2024.

The proceedings of the general meeting will be properly recorded. The Company Secretary prepares minutes of AGM and EGM 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 SGXNET and its corporate website as soon as practicable within one (1) month from the date of AGM and EGM.

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 Catalyst 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 FY2024, the Board has not declared or recommended any dividend as the Group has decided to conserve cash for working capital needs.

CORPORATE GOVERNANCE REPORT

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 Catalyst 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 Catalyst 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' meeting 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 management team 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 1967 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 Catalyst Rules.

CORPORATE GOVERNANCE REPORT

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 agreement 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.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

Rule 907 of the Catalyst 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 FY2024.

Particulars of the interested person transactions for FY2024, disclosed in accordance with Rule 907 of the Catalyst 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 Catalyst Rules) S\$'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Catalyst 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.	113*	NIL
Singapore Dental Cadcam Laboratory Pte Ltd	Subsidiary of Q & M Dental Group (Singapore) Limited, a deemed controlling shareholder of the Company	481* Revenue from laboratory services segment 124* Other expenses	NIL

*RMB5.38 to SGD1

CORPORATE GOVERNANCE REPORT

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 2001 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 Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2024.

SUSTAINABILITY REPORTING

This is the eighth year the Company is publishing its sustainability report and it will continue to address the activities, data and measurements, where applicable, that fall within FY2024. 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.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2024, are set out in the Company's Sustainability Report, which will be published as a standalone report via SGXNET and the Company's website by 30 April 2025.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Chua Ser Miang and Professor Chew Chong Yin are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Wednesday, 30 April 2025 at 2.30 p.m., ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
Date of first appointment	30 March 2017	30 March 2017
Date of last re-appointment	26 April 2023	28 April 2022
Age	56	79
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-appointment of Mr. Chua Ser Miang as Non-Executive Chairman and Independent Director 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.	The re-appointment of Professor Chew Chong Yin as Independent Director 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.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	AC Chairman, RC Member, NC Member	RC Chairman, AC Member, NC Member
Professional qualifications	Master of Science in Global Finance & Banking, King's College London	Bachelor of Dental Surgery, University of Singapore
	Bachelor of Business Administration (Honours), National University of Singapore	Master of Dental Surgery, University of Singapore
	Chartered Financial Analyst, CFA Institute	Doctor of Philosophy, National University of Singapore
	Chartered Valuer and Appraiser, Institute of Valuers and Appraisers, Singapore	Master of Science in Dentistry, Indiana University
	Member of Singapore Institute of Directors	
Working experience and occupation(s) during the past 10 years	Director, Crowe Horwath Capital Pte. Ltd. (November 2020 to present)	Professor, Faculty of Dentistry, National University of Singapore (1992 to 2019)
	Director of Eastwin Capital Pte. Ltd. (January 2013 to December 2020)	Emeritus Consultant, National University Health System (1999 to present)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
Shareholding interest in the listed issuer and its subsidiaries	No	100,000 shares (Direct)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments*		
Including Directorships#		
* "Principal Commitments" has the same meaning as defined in the Code.		
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)		
Present	<u>Listed Companies</u> LS 2 Holdings Limited Kori Holdings Limited PC Partner Group Limited	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)	Acumen Diagnostics Pte. Ltd. Acumen Research Laboratories Pte. Ltd. VC Plus Limited China Knowledge Data Technology Pte. Ltd. Yamada Green Resources Limited Eastwin Capital Pte. Ltd.	President, Singapore Dental Council, Ministry of Health (Until April 2021)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	No	No
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?		
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes. Mr. Chua Ser Miang was an independent director of Yamada Green Resources Ltd (“Yamada Green”) from September 2013 to March 2021. In September 2018, the audit committee of Yamada Green engaged Foo Kon Tan LLP to conduct an investigation into the disposal of bamboo plantations by the company without the Board’s prior knowledge and approval. The key findings were announced on 28 January 2019. On 30 September 2022, SGX reprimanded the former Executive Director of Yamada Green for breaches of certain listing rules arising from the disposal of the bamboo plantations. As an independent director, Mr. Chua was not involved in the management or the operations of the company, and he was not a subject of the abovementioned investigations.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr. Chua Ser Miang	Professor Chew Chong Yin
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only	Not applicable As this relates to the re-appointment of director	Not applicable As this relates to the re-appointment of director
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>		

STATEMENT BY DIRECTORS

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 2024.

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 2024 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 this 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:

Mr. Chua Ser Miang
Dr. Shao Yongxin
Professor Chew Chong Yin
Mr. Lin Ming Khin
Ms. Ng Sook Hwa
Dr. Ng Chin Siau

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 ("the Act") except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
<u>The Company</u>	<u>Number of ordinary shares of no par value</u>			
Dr. Shao Yongxin	–	–	109,401,709	109,401,709
Dr. Ong Siew Hwa [#]	88,021,818	88,021,818	–	–
Professor Chew Chong Yin	100,000	100,000	–	–
Dr. Ng Chin Siau	163,300	163,300	170,243,638	170,243,638

[#] On 22 March 2025, Dr. Ong Siew Hwa resigned as director of the Company.

By virtue of section 7 of the Act, Dr. Shao Yongxin, Dr. Ong Siew Hwa and Dr. Ng Chin Siau are deemed to have an interest in all related body corporates of the Company.

The directors' interests as at 21 January 2025 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

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 except as mentioned below.

5. Aoxin Q & M Employee Share Option Scheme

The Company adopted a long-term employee incentive scheme known as Aoxin Q & M Employee Share Option Scheme (the "Scheme" or "ESOS") 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 the same as the Remuneration Committee ("RC") of the Company from time to time. The members of the ESOS Committee are as follows:

Professor Chew Chong Yin	(RC Chairman and Independent Director)
Mr. Chua Ser Miang	(Independent Director)
Mr. 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 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.

The Company does not have a parent company. Therefore, the disclosures required under Catalist Rule 851(1)(b)(i), (ii), (iii), (c) and (d) are not applicable.

As at 31 December 2023 and 31 December 2024, there were no outstanding share options.

STATEMENT BY DIRECTORS

6. Aoxin Q & M Performance Share Plan

The Company adopted the Aoxin Q & M Performance Share Plan (the “Plan” or “PSP”) 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. The members of the PSP Committee are as follows:

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

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

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.

On 20 January 2020, the Company awarded 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. These performance shares would vest in accordance with the vesting schedules each commencing on 1 January 2020 and ending on 31 December 2029, subject to certain vesting conditions. On 24 December 2024, the Company issued 233,413 ordinary shares to this dentist in accordance with the Plan. The remaining 727,152 performance shares awarded had lapsed as the clinic where the dentist was operating ceased operation in October 2024 and the dentist has left the Group.

The Company does not have a parent company. Therefore, the disclosures required under Catalist Rule 851(1)(b)(i), (ii), (iii), (c)(i) and (d) are not applicable.

As at 31 December 2024, the total number of performance shares under the Plan that remained outstanding and unvested was Nil (2023: 960,565).

7. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

STATEMENT BY DIRECTORS

8. Audit Committee

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

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

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

- Review the audit plan of the independent external auditor.
- Review 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.
- Review 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.
- Review the financial statements of the Group and of the Company prior to their submission to the board of directors of the Company for adoption.
- Review the interested person transactions in accordance with the requirements of Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual.

The independent external auditor did not provide non-audit related services to the Group during the reporting year and up to the date of this statement.

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

The AC has recommended to the board that RSM SG Assurance LLP be nominated for re-appointment as independent external auditor at the forthcoming annual general meeting of the Company.

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

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 28 February 2025, 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

.....
Dr. Shao Yongxin
Director

.....
Mr. Chua Ser Miang
Director

2 April 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AOXIN Q & M DENTAL GROUP LIMITED

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 2024, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and 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 material accounting policy information.

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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

As at 31 December 2024, the carrying values of the Group's property, plant and equipment, right-of-use assets, goodwill and other intangible assets, and the Company's investments in subsidiaries were RMB28,427,000, RMB23,446,000, RMB125,219,000, RMB2,090,000 and RMB310,958,000, respectively.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AOXIN Q & M DENTAL GROUP LIMITED

Key audit matters (cont'd)

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

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.

Management engaged an external valuation expert to assist in the impairment assessment. Management applied the value-in-use method to determine the recoverable amounts of the abovementioned assets. 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. Based on management's assessment, no impairment loss was recognised as the estimated recoverable amount was higher than the carrying values of the abovementioned assets. As the impairment assessment processes require management to exercise high degree of judgement, we have therefore identified these areas requiring particular audit attention.

We assessed management's process for the selection of its appointed external valuation expert, including the determination of the scope of work to be performed by the expert. We evaluated the competency of the external valuation expert by considering the expert's qualification and objectivity.

Our audit procedures included, among other things, involving our valuation specialists as auditor's expert to assist us in evaluating the methodologies and assumptions 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, including our valuation specialists, reviewed the estimates applied by management 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 assessed 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 reviewed 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.

Assessment of impairment of carrying value of investment in associate

Please refer to Note 2A for the relevant accounting policies on "associate" and "carrying amounts of non-financial assets", Note 2B for critical judgements, assumptions and estimation uncertainties on "assessment of impairment of associate", and Note 17 for the key assumptions used in the impairment assessment of carrying value of investment in associate.

As at 31 December 2024, the carrying value of the Group's and the Company's investment in associate, namely, Acumen Diagnostics Pte. Ltd. ("Acumen") and its subsidiary (collectively, the "Acumen Group"), was RMB6,716,000.

The Group's and the Company's investment in the Acumen Group was subject to impairment assessment due the suspension of Acumen's laboratory business after the expiry of Acumen's laboratory license and the cessation of Acumen's sole source of revenue and income after the closure of its Joint Testing and Vaccination Centre during the reporting year. Any shortfall of recoverable amounts against the carrying value of the assets would be recognised as impairment loss.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AOXIN Q & M DENTAL GROUP LIMITED

Key audit matters (cont'd)

Assessment of impairment of carrying value of investment in associate (cont'd)

In the absence of new source of revenue and uncertainty about the future business and cash flows regarding the Acumen Group, management applied the fair value less costs of disposal method to determine the recoverable amount of investment in associate. Management exercised judgement and determined that the net assets value of Acumen Group as at 31 December 2024 approximates the fair value of the associate, and the costs of disposal is not material. The net assets value of Acumen Group comprised primarily cash and cash equivalents and receivables, and accrued expenses. Management reviewed the statement of financial position of the Acumen Group and determined no further write down of assets and accrual of liabilities is necessary. There are uncertainties over the estimation of the net assets value of Acumen Group.

We obtained from management the statement of financial position of Acumen Group as at 31 December 2024 and we discussed with management the process over estimating the fair value less cost of disposal of the Acumen Group. We evaluated the basis and assumptions used by management in their assessment of net assets value of the Acumen Group. The recoverable amount of these net assets is dependent on timing of disposal of assets and settlement of liabilities.

As the impairment assessment process require management to exercise high degree of judgement and is subject to significant estimation uncertainties, we have therefore identified this area as requiring particular audit attention.

We also reviewed the adequacy of 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 associate.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AOXIN Q & M DENTAL GROUP LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AOXIN Q & M DENTAL GROUP LIMITED

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 a 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 SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

2 April 2025

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 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	183,722	177,255
Interest income		116	137
Other income and gains	6	3,525	3,436
Consumables and dental supplies		(17,318)	(16,800)
Cost of dental equipment and supplies		(35,675)	(36,507)
Cost of laboratory services		(5,217)	(4,686)
Employee benefits expenses	7	(79,398)	(76,868)
Depreciation and amortisation expenses		(14,965)	(17,832)
Finance costs	8	(1,489)	(1,797)
Impairment loss on investment in associate		–	(46,869)
Other expenses	9	(18,586)	(20,802)
Other losses	6	(812)	(3,867)
Share of results of an associate		(14,237)	1,061
Loss before income tax		(334)	(44,139)
Income tax expense	10A	(1,426)	(3,161)
Loss, net of tax		(1,760)	(47,300)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation to presentation currency		49	3,678
Total comprehensive loss		(1,711)	(43,622)
(Loss) / profit, net of tax attributable to:			
Owners of the Company		(1,761)	(47,300)
Non-controlling interests		1	– *
		(1,760)	(47,300)
Total comprehensive (loss) / income attributable to:			
Owners of the Company		(1,712)	(43,622)
Non-controlling interests		1	– *
		(1,711)	(43,622)
Earnings per share (loss)		2024 RMB Cents	2023 RMB Cents
Basic and diluted	12	(0.34)	(9.25)

* Representing amount less than RMB1,000.

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Group		Company	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	28,427	34,395	12	21
Right-of-use assets	14	23,446	29,364	489	614
Goodwill	15A	125,219	125,219	–	–
Other intangible assets	15B	2,090	2,906	93	140
Investments in subsidiaries	16	–	–	310,958	310,983
Investment in an associate	17	6,716	20,897	6,716	20,897
Deferred tax assets	10C	978	2,106	–	–
Other receivables	18	–	–	6,426	6,426
Other non-financial assets	19	49	115	15	77
Total non-current assets		186,925	215,002	324,709	339,158
Current assets					
Inventories	20	10,320	11,075	–	–
Trade and other receivables	21	39,908	37,534	18,604	17,161
Other non-financial assets	19	1,767	1,775	154	154
Cash and cash equivalents	22	69,937	51,184	21,965	23,193
Total current assets		121,932	101,568	40,723	40,508
Total assets		308,857	316,570	365,432	379,666
EQUITY AND LIABILITIES					
Equity					
Share capital	23	445,723	445,473	445,723	445,473
Accumulated losses		(143,083)	(140,268)	(136,899)	(123,801)
Other reserves	24	(37,744)	(38,180)	52,612	53,257
Equity attributable to owners of the Company		264,896	267,025	361,436	374,929
Non-controlling interests		1	– *	–	–
Total equity		264,897	267,025	361,436	374,929
Non-current liabilities					
Deferred tax liabilities	10C	346	519	–	–
Lease liabilities	25	10,945	17,504	246	469
Other financial liabilities	26	–	339	–	339
Total non-current liabilities		11,291	18,362	246	808
Current liabilities					
Income tax payable		425	335	–	–
Trade and other payables	27	25,214	23,147	3,173	3,034
Lease liabilities	25	6,691	7,020	238	214
Other financial liabilities	26	339	681	339	681
Total current liabilities		32,669	31,183	3,750	3,929
Total liabilities		43,960	49,545	3,996	4,737
Total equity and liabilities		308,857	316,570	365,432	379,666

* Representing amount less than RMB1,000.

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

STATEMENTS OF CHANGES IN EQUITY

REPORTING YEAR ENDED 31 DECEMBER 2024

Group	Total equity	Attributable to owners of the Company	Other reserves					Non-controlling interests
			Share capital	Accumulated losses	Foreign currency translation reserve	Statutory reserve	Share based payment reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year								
Opening balance at 1 January 2024	267,025	267,025	445,473	(140,268)	17,268	9,069	7,403	- *
Total comprehensive (loss) / income for the year	(1,711)	(1,712)	-	(1,761)	49	-	-	1
Transfer to statutory reserve (Note 24A)	-	-	-	(1,054)	-	1,054	-	-
Share-based payments (Note 24B)	(667)	(667)	-	-	-	-	(667)	-
Issuance of new shares (Note 23)	250	250	250	-	-	-	-	-
Closing balance at 31 December 2024	264,897	264,896	445,723	(143,083)	17,317	10,123	6,736	1
Previous year								
Opening balance at 1 January 2023	310,526	310,526	445,473	(92,662)	13,590	8,763	7,282	- *
Total comprehensive (loss) / income for the year	(43,622)	(43,622)	-	(47,300)	3,678	-	-	- *
Transfer to statutory reserve (Note 24A)	-	-	-	(306)	-	306	-	-
Share-based payments (Note 24B)	121	121	-	-	-	-	121	-
Closing balance at 31 December 2023	267,025	267,025	445,473	(140,268)	17,268	9,069	7,403	- *

* Representing amount less than RMB1,000.

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

STATEMENTS OF CHANGES IN EQUITY

REPORTING YEAR ENDED 31 DECEMBER 2024

Company	<u>Total equity</u> RMB'000	<u>Share capital</u> RMB'000	<u>Accumulated losses</u> RMB'000	----- Other reserves -----	
				<u>Share-based payment reserve</u> RMB'000	<u>Foreign currency translation reserve</u> RMB'000
Current year					
Opening balance at 1 January 2024	374,929	445,473	(123,801)	7,403	45,854
Total comprehensive (loss) / income for the year	(13,076)	–	(13,098)	–	22
Share-based payments (Note 24B)	(667)	–	–	(667)	–
Issuance of new shares (Note 23)	250	250	–	–	–
Closing balance at 31 December 2024	<u>361,436</u>	<u>445,723</u>	<u>(136,899)</u>	<u>6,736</u>	<u>45,876</u>
Previous year					
Opening balance at 1 January 2023	406,093	445,473	(76,184)	7,282	29,522
Total comprehensive (loss) / income for the year	(31,285)	–	(47,617)	–	16,332
Share-based payments (Note 24B)	121	–	–	121	–
Closing balance at 31 December 2023	<u>374,929</u>	<u>445,473</u>	<u>(123,801)</u>	<u>7,403</u>	<u>45,854</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

REPORTING YEAR ENDED 31 DECEMBER 2024

	2024 RMB'000	2023 RMB'000
Cash flows from operating activities		
Loss before income tax	(334)	(44,139)
Depreciation of property, plant and equipment	7,485	9,867
Depreciation of right-of-use assets	6,604	6,949
Amortisation of intangible assets	876	1,016
Impairment on trade receivables - reversal	(13)	(463)
Gain on remeasurement / de-recognition of right-of-use assets	(465)	(1,528)
Property, plant and equipment written off	576	595
Impairment loss on property, plant and equipment	–	962
Inventories written down	70	615
Interest expense	1,489	1,797
Share-based payments	(417)	121
Impairment loss on investment in an associate	–	46,869
Share of results of an associate	14,237	(1,061)
Foreign exchange adjustments (gains) / losses, net	(2)	476
Operating cash flows before changes in working capital	30,106	22,076
Inventories	685	(577)
Trade and other receivables	(2,361)	(3,214)
Other non-financial assets	53	(154)
Trade and other payables	2,067	1
Net cash flows from operations	30,550	18,132
Income taxes paid	(360)	(284)
Net cash flows from operating activities	30,190	17,848
Cash flows from investing activities		
Acquisition of property, plant and equipment (Note 13)	(2,093)	(3,844)
Acquisition of intangible assets (Note 15B)	(60)	(19)
Dividend received from an associate	–	10,497
Net cash flows (used in) / from investing activities	(2,153)	6,634
Cash flows from financing activities		
Repayments of bank loans	(684)	(3,255)
Payment of principal portion of lease liabilities	(7,109)	(8,563)
Payment of interest portion of lease liabilities	(1,473)	(1,721)
Other interest expense paid	(16)	(76)
Net cash flows used in financing activities	(9,282)	(13,615)
Net increase in cash and cash equivalents	18,755	10,867
Cash and cash equivalents, beginning balance	51,184	39,429
Effect of foreign exchange rate changes on cash and cash equivalents	(2)	888
Cash and cash equivalents, ending balance (Note 22)	69,937	51,184

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. General information

Aoxin Q & M Dental Group Limited (Registration No. 201110784M) (the "Company") is incorporated in Singapore with limited liability. The Company is listed on Catalist Board of the Singapore Exchange Securities Trading Limited.

The financial statements are presented in Chinese Renminbi ("RMB") and they cover the Company and its subsidiaries (collectively, the "Group"). All information in these financial statements are rounded to the nearest thousand ("RMB'000"), except when otherwise indicated.

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 activities 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 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619 and its principal place of business is in Singapore.

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 Accounting Standards Committee under Accounting and Corporate Regulatory Authority ("ASC"). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis of preparation of the financial statements

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.

Basis of presentation and principles of consolidated

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 parent 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. They are de-consolidated from the date that control ceases.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information

2A. Material accounting policies

Revenue recognition

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 health care and laboratory 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 to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

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

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Company'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).

Pursuant to relevant government 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 of the PRC are required to contribute to a certain percentage to the basis 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. Contributions to the Scheme are recorded as an expense as they fall due.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

Share-based compensation

There is an option plan for employees and directors. 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.

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.

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 \$ amounts into RMB amounts are included solely for the convenience of readers. The reporting year end rates used are \$1 to RMB5.3550 (2023: \$1 to RMB5.3555) which approximate the rate of exchange at the end of the reporting year. The average rates of exchange for the reporting year were \$1 to RMB5.3773 (2023: \$1 to RMB5.2646). Certain balances are translated at historical rates. Such translation should not be constructed as a representation that the RMB amounts could be converted into \$ at the above exchange rates or other rates.

Translation of financial statements of other entities

Each component 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 consolidated 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

Income tax

Tax expense (tax benefit) 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 income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. 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, branches and associates, and joint arrangements 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 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.

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 certain leased assets, the shorter lease term).

The annual rates of depreciation are as follows:

<u>Categories</u>	<u>Useful lives</u>	<u>Residual value rates</u>
Leasehold improvements	10 years	–
Furniture and fittings and equipment	5 to 10 years	5%
Motor vehicles	10 years	5%
Software	2 to 10 years	–

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 values, useful lives and recognised impairment losses of assets are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

The gain or loss arising from de-recognition of an item of property, plant and equipment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

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 annual rates of depreciation are as follows:

Leasehold building	–	24.3 years
Dental clinics, hospitals, and office space	–	1.3 to 11 years
Dormitory	–	1.3 to 3.6 years
Warehouses	–	1.2 to 2 years
Software	–	8 years

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period in exchange for consideration. Lease payments are apportioned between finance costs and reduction of the lease liability to reflect the interest on the remaining balance of the liability. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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, for such leases, a right-of-use asset is recognised.

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.

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. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

Other 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 accumulated amortisation and any accumulated impairment losses.

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 as follows:

Customer lists	–	10 years
Software	–	2 to 10 years

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group and the Group 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 Company'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.

Associate

An associate is an entity including an unincorporated entity in which the Group has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

Carrying amounts and assessment of impairment loss allowance on non-financial assets

The amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policies (cont'd)

Financial instruments (cont'd)

Classification of financial assets and financial liabilities and subsequent measurement

The financial reporting standard on financial instruments requires certain classification of financial instruments. At the end of the reporting year, the Group and the Company had the following classes of financial assets and financial liabilities:

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.

Financial liabilities are categorised as 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 comprises cash on hand and demand deposits. For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

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 or 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 (ie as prices) or indirectly (ie 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material 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 material 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. The recurring measurements are made at each reporting year end date.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on significant judgements made in the process of applying the accounting policies and on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or in the corresponding Notes to these financial statements. 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.

Assessing impairment of goodwill

The amount of goodwill is tested annually for impairment, and when circumstances indicate that the carrying value maybe impaired. The impairment test is material and the process is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. 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. The carrying amount of goodwill at the end of the reporting year is disclosed in Note 15.

Assessment of carrying values of property, plant and equipment, other intangible assets 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 is the higher of its fair value less costs of disposal or its value in use which incorporate a number of key estimates and assumptions. 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 values of property, plant and equipment, other intangible assets and right-of-use assets at the end of the reporting year are disclosed in Note 13, Note 14 and Note 15 respectively.

Assessing impairment loss on 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. Value-in-use calculation based on each CGU that linked to each investees, will be used in the assessment of impairment of subsidiaries. The key assumption and estimates are disclosed in Note 15. 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 investments in subsidiaries at the end of the reporting year affected by the assumption is disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. Material accounting policy information and other explanatory information (cont'd)

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

Assessment of impairment loss on associate

Where there is a negative change in the market demand that leads to weaker performance for the associate, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. Management exercised judgement and determined that the net assets value of Acumen Group as at 31 December 2024 approximates the fair value of the associate, and the costs of disposal is not material. The net assets value of Acumen Group comprised primarily cash and cash equivalents and receivables, and accrued expenses. Management reviewed the statement of financial position of the Acumen Group and determined no further write down of assets and accrual of liabilities is necessary. The recoverable amount of these net assets is dependent on timing of disposal of assets and settlement of liabilities. The carrying amount of investment in associate at the end of the reporting year is disclosed in Note 17.

Estimating 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 that could change materially because 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 property, plant and equipment at the end of the reporting year is disclosed in Note 13.

Assessing loss allowance on inventories

The assessment of the allowance for impairment loss on inventories 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 Note 20.

Assessing expected credit loss allowance on trade receivables

The customers' balances are subject to the expected credit loss ("ECL") assessment under the financial reporting standard on financial instruments. The assessment of the ECL requires a degree of estimation and judgement. 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. 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 of trade receivables at the end of the reporting year is disclosed in Note 21.

Estimating income tax amounts

The Group recognises tax liabilities and tax assets 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 Note 10.

NOTES TO THE FINANCIAL STATEMENTS

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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 a group

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

Related parties in these financial statements refer to the entities which the controlling shareholders and directors of the Company as well as their family members, have a controlling interest in.

3B. Related party transactions and balances

There are transactions and arrangements between the Group and its related parties and the effect 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 leased clinics, hospitals and offices from their directors and the Company leased software from a related party. As at 31 December 2024, the total carrying values of the Group's and the Company's right-of-use assets related to these leases were RMB3,175,000 and RMB489,000 (2023: RMB4,154,000 and RMB614,000) respectively.

Other than above, the Group also carried out transactions with related parties during the reporting year as follows:

	Group	
	2024	2023
	RMB'000	RMB'000
Revenue from laboratory services	2,588	295
Management fee	(467)	–
Expenses relating to short-term leases	(201)	–

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

NOTES TO THE FINANCIAL STATEMENTS

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

3C. Key management compensation

	Group	
	2024	2023
	RMB'000	RMB'000
Salaries and other short-term employee benefits	4,268	4,618
Included in the above amount are the following items:		
Remuneration of director of the Company	682	1,152
Remuneration of executive officers of the Group	2,161	2,224
Fees to directors of the Company	1,425	1,242

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.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

3D. Balances with subsidiaries

	Company	
	2024	2023
	RMB'000	RMB'000
At beginning of the year	7,277	6,868
Interest income	245	149
Exchange differences	—	260
At end of the year	7,522	7,277

Presented in the statements of financial position as follows:

Other receivables, non-current (Note 18)	6,426	6,426
Other receivables, current (Note 21)	1,096	851
	7,522	7,277

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments

The Group 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 to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. 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 Group.

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

For management purposes the Group is organised into three major strategic operating segments that offer different products and 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 board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

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; and
- (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 used by the reporting entity.

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

Notes 4B to 4D disclosed the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also given in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

4B. Profit or loss and assets and liabilities and reconciliations

	Primary healthcare		Distribution of dental equipment and supplies		Laboratory services		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers (Note 5)	119,254	115,887	41,639	42,151	22,829	19,217	183,722	177,255
Inter-segment revenue	34,331	23,887	10,711	7,978	12,804	19,017	57,846	50,882
Total revenue (before elimination)	153,585	139,774	52,350	50,129	35,633	38,234	241,568	228,137
Segment results exclude								
unallocated corporate expenses	34,925	27,727	474	86	(12,533)	(43,720)	22,866	(15,907)
Unallocated corporate expenses							(6,746)	(8,603)
Finance costs							(1,489)	(1,797)
Depreciation of property, plant and equipment							(7,485)	(9,867)
Depreciation of right-of-use assets							(6,604)	(6,949)
Amortisation of other intangible assets							(876)	(1,016)
Loss before income tax							(334)	(44,139)
Income tax expense							(1,426)	(3,161)
Loss, net of tax							(1,760)	(47,300)
Additions to non-current assets								
Property, plant and equipment	1,441	1,944	17	1,213	635	687	2,093	3,844
Other material non-cash items								
Depreciation of property, plant and equipment	6,618	8,614	18	36	849	1,217	7,485	9,867
Depreciation of right-of-use assets	6,235	6,524	115	70	254	355	6,604	6,949
Amortisation of other intangible assets	403	545	42	42	431	429	876	1,016
Plant and equipment written off	576	528	-	-	-	67	576	595
Impairment loss on plant and equipment	-	962	-	-	-	-	-	962
Impairment loss on investment in associate	-	-	-	-	-	46,869	-	46,869
Impairment on trade receivables – (reversal)/allowance	(28)	4	(40)	(141)	55	(326)	(13)	(463)
Share-based payment – (reversal)/expense	(417)	121	-	-	-	-	(417)	121
Segment assets	256,024	250,525	19,345	18,697	33,488	47,348	308,857	316,570
Segment liabilities	34,963	40,466	3,784	5,051	5,213	4,028	43,960	49,545

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

4C. Geographical segments

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
People's Republic of China	181,134	176,960	179,600	193,253
Singapore	2,588	295	7,325	21,749
	<u>183,722</u>	<u>177,255</u>	<u>186,925</u>	<u>215,002</u>

4D. Information about major customers

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

5. Revenue

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
<u>Revenue classified by type</u>		
Rendering of services	107,799	108,795
Sale of goods	41,639	42,151
Laboratory services	22,829	19,217
Leasing income	274	1,068
Management fee income	11,146	5,852
Other income	35	172
	<u>183,722</u>	<u>177,255</u>
<u>Revenue classified by timing of revenue recognition</u>		
Point in time	172,302	170,335
Over time	11,420	6,920
	<u>183,722</u>	<u>177,255</u>

NOTES TO THE FINANCIAL STATEMENTS

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6. Other income and gains and (other losses)

	Group	
	2024	2023
	RMB'000	RMB'000
Bad debts written off	(56)	(315)
Foreign exchange adjustments gain/(loss), net	38	(1,042)
Government grant income	2,053	948
Gain on remeasurement / de-recognition of right-of-use assets	465	1,528
Compensation on early termination of lease	(58)	–
Compensation received from insurance	41	–
Rental discounts	740	335
Impairment loss on property, plant and equipment (Note 13)	–	(962)
Impairment loss on trade receivables – reversal (Note 21)	13	463
Property, plant and equipment written off	(576)	(595)
Reversal of prior year's profit guarantee income	–	(260)
Non-trade payables derecognised	155	161
Inventories written down (Note 20)	(70)	(615)
Others gains	20	1
Other losses	(52)	(78)
Net	<u>2,713</u>	<u>(431)</u>

	Group	
	2024	2023
	RMB'000	RMB'000
Presented in profit or loss as:		
Other income and gains	3,525	3,436
Other losses	(812)	(3,867)
	<u>2,713</u>	<u>(431)</u>

7. Employee benefits expense

	Group	
	2024	2023
	RMB'000	RMB'000
Short term employee benefits expense	64,077	61,007
Contributions to defined contribution plan	11,653	11,857
Share-based payments – (reversal)/charge (Note 24B)	(417)	121
Other benefits	4,085	3,883
	<u>79,398</u>	<u>76,868</u>

NOTES TO THE FINANCIAL STATEMENTS

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8. Finance costs

	Group	
	2024	2023
	RMB'000	RMB'000
Interest expense:		
- Bank borrowings	16	76
- Lease liabilities	1,473	1,721
	<u>1,489</u>	<u>1,797</u>

9. Other expenses

The major components and other selected components include the following:

	Group	
	2024	2023
	RMB'000	RMB'000
Entertainment expenses	1,085	1,193
Marketing expenses	976	1,089
Other tax expenses	2,074	2,901
Professional fees	5,203	6,767
Travelling expenses	1,431	1,520
Utilities expenses	<u>1,830</u>	<u>1,880</u>

10. Income tax

10A. Components of tax expense/(benefit) recognised in profit or loss

	Group	
	2024	2023
	RMB'000	RMB'000
<u>Current tax</u>		
Current tax expense	498	339
Under adjustments in respect of prior years	55	–
Subtotal	<u>553</u>	<u>339</u>
<u>Deferred tax</u>		
Deferred tax expense	<u>955</u>	<u>2,741</u>
<u>Withholding tax</u>		
Current withholding tax expense	29	81
Over adjustments in respect of prior years	(111)	–
Subtotal	<u>(82)</u>	<u>81</u>
Total income tax expense	<u>1,426</u>	<u>3,161</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10. Income tax (cont'd)

10A. Components of tax expense/(benefit) recognised in profit or loss (cont'd)

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% (2023: 25%) to profit or loss before income tax as a result of the following differences:

	Group	
	2024	2023
	RMB'000	RMB'000
Loss before income tax	(334)	(44,139)
Share of results of associate	14,237	(1,061)
	<u>13,903</u>	<u>(45,200)</u>
Income tax expense / (benefit) at the above rate	3,476	(11,300)
Tax effect of concessionary tax rate of 5%	(1,827)	(535)
Effect of different tax rates in different countries	(233)	2,049
Tax effect on non-deductible expenses	138	10,279
Tax incentives	(24)	(74)
Deferred tax expense relating to changes in tax rates	–	3,156
Unrecognised deferred tax assets recognised this year	(1)	(415)
Under adjustment to current tax in respect of prior years	55	–
Over adjustment of withholding tax in respect of prior years	(111)	–
Withholding tax	29	81
Others	(76)	(80)
Total income tax expense	<u>1,426</u>	<u>3,161</u>

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

Certain subsidiaries in the Group qualify as small and thin-profit enterprises under relevant regulations in the PRC. These subsidiaries' annual taxable income up to RMB3,000,000 is subject to corporate income tax rate of 5% from 1 January 2024 to 31 December 2027.

10B. Deferred tax expense recognised in profit or loss

	Group	
	2024	2023
	RMB'000	RMB'000
Excess of carrying values over tax values of intangible assets, and property, plant and equipment	173	768
Deferred tax associated with right-of-use assets	3	(2,175)
Deferred tax associated with lease liabilities	(1,706)	1,610
Tax losses carryforwards	575	(2,944)
Total deferred tax expense	<u>(955)</u>	<u>(2,741)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10. Income tax (cont'd)

10C. Deferred tax balance in the statements of financial position

	Group	
	2024	2023
	RMB'000	RMB'000
Excess of carrying values over tax values of intangible assets, and property, plant and equipment	(346)	(519)
Deferred tax associated with right-of-use assets	(5,945)	(5,948)
Deferred tax associated with lease liabilities	4,370	6,076
Tax losses carryforwards	2,553	1,978
	<u>632</u>	<u>1,587</u>

Presented in the statements of financial position as follows:

Deferred tax assets	978	2,106
Deferred tax liabilities	(346)	(519)
	<u>632</u>	<u>1,587</u>

At the end of the reporting year, the Group has unutilised tax losses of RMB31,249,000 (2023: RMB33,725,000) that are available for offset against future taxable profits of companies in which the losses arose, for which no deferred tax asset have been recognised as the future profit streams are not probable against which the tax losses can be utilised.

The unutilised tax losses expiring in the following years are as follows:

	Group	
	2024	2023
	RMB'000	RMB'000
Expiring within:		
One year	7,904	11,791
Between one and three years	19,663	19,786
Between three and five years	3,682	1,911
	<u>31,249</u>	<u>33,488</u>

Other unutilised tax losses may be carried forward indefinitely.

The realisation of the future income tax benefits from tax losses carryforwards is subject to the agreement by the tax authorities.

As at 31 December 2024, no deferred tax liability has been recognised for withholding tax that would be payable on the undistributed profits of the PRC subsidiaries as management 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 RMB53,609,000 (2023: RMB42,474,000) and the related deferred tax liability is estimated at approximately RMB2,680,000 (2023: RMB2,124,000), subject to certain conditions being fulfilled.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. 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:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Audit fees to the independence auditor of the Company	519	686
Audit fees to alliance firm of independent auditor of the Company	720	720
Audit fees to other independent auditors – non-network firms	53	45
Expenses relating to short-term leases	844	737
Expenses relating to low value assets	<u>305</u>	<u>149</u>

12. Earnings per share (loss)

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB Cents	RMB Cents
Basic and diluted	<u>(0.34)</u>	<u>(9.25)</u>

The numerators and denominators used to calculate basic and diluted earnings per share of no par value are as follows:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
<u>Numerators</u>		
Loss, net of tax attributable to equity holders	<u>(1,760)</u>	<u>(47,300)</u>
	<u>Number of shares</u>	
	'000	'000
<u>Denominators</u>		
Weighted average number of equity shares		
– basic and diluted	<u>511,292</u>	<u>511,289</u>

The weighted average number of equity shares refers to share in circulation during the reporting year.

Basic and diluted earnings per share (loss) 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.

As at the end of the reporting year, there was no transactions involving ordinary shares or potential ordinary shares of the Company (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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13. Property, plant and equipment

<u>Group</u>	<u>Leasehold improvements</u> RMB'000	<u>Furniture, fittings and equipment</u> RMB'000	<u>Motor vehicles</u> RMB'000	<u>Software</u> RMB'000	<u>Total</u> RMB'000
<u>Cost:</u>					
At 1 January 2023	32,595	64,085	1,015	10	97,705
Additions	1,375	2,469	–	–	3,844
Written off	–	(5,971)	–	–	(5,971)
Foreign exchange differences	–	4	–	–	4
At 31 December 2023	33,970	60,587	1,015	10	95,582
Additions	424	1,669	–	–	2,093
Written off	–	(5,417)	–	(10)	(5,427)
At 31 December 2024	34,394	56,839	1,015	–	92,248
<u>Accumulated depreciation and impairment:</u>					
At 1 January 2023	16,087	39,251	385	10	55,733
Depreciation for the year	3,236	6,535	96	–	9,867
Impairment loss for the year	962	–	–	–	962
Written off	–	(5,376)	–	–	(5,376)
Foreign exchange differences	–	1	–	–	1
At 31 December 2023	20,285	40,411	481	10	61,187
Depreciation for the year	2,942	4,465	78	–	7,485
Written off	–	(4,841)	–	(10)	(4,851)
At 31 December 2024	23,227	40,035	559	–	63,821
<u>Carrying value:</u>					
At 1 January 2023	16,508	24,834	630	–	41,972
At 31 December 2023	13,685	20,176	534	–	34,395
At 31 December 2024	11,167	16,804	456	–	28,427

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

<u>Company</u>	Furniture, fittings and equipment RMB'000
<u>Cost:</u>	
At 1 January 2023	80
Additions	9
Written off	(27)
Foreign exchange differences	3
At 31 December 2023 and 31 December 2024	<u>65</u>
<u>Accumulated depreciation:</u>	
At 1 January 2023	59
Depreciation for the year	10
Written off	(27)
Foreign exchange differences	2
At 31 December 2023	<u>44</u>
Depreciation for the year	9
At 31 December 2024	<u>53</u>
<u>Carrying value:</u>	
At 1 January 2023	<u>21</u>
At 31 December 2023	<u>21</u>
At 31 December 2024	<u>12</u>

Refer to Note 15A for the key assumptions used for impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

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14. Right-of-use assets

Group	Leasehold building RMB'000	Dental clinics, hospitals, and office space RMB'000	Warehouses RMB'000	Software RMB'000	Total RMB'000
<u>Cost:</u>					
At 1 January 2023	6,818	49,349	–	1,641	57,808
Additions	–	996	103	–	1,099
Written-off	–	(651)	–	–	(651)
Remeasurement	–	708	–	(73)	635
Foreign exchange differences	–	–	–	68	68
At 31 December 2023	6,818	50,402	103	1,636	58,959
Additions	–	2,226	–	–	2,226
Written-off	–	(6,101)	–	–	(6,101)
Remeasurement	–	(233)	–	323	90
Foreign exchange differences	–	–	–	(1)	(1)
At 31 December 2024	6,818	46,294	103	1,958	55,173
<u>Accumulated depreciation:</u>					
At 1 January 2023	1,177	23,056	–	820	25,053
Depreciation for the year	265	6,473	3	208	6,949
Written-off	–	(651)	–	–	(651)
Remeasurement	–	(1,750)	–	(43)	(1,793)
Foreign exchange differences	–	–	–	37	37
At 31 December 2023	1,442	27,128	3	1,022	29,595
Depreciation for the year	265	6,092	34	213	6,604
Written-off	–	(4,441)	–	–	(4,441)
Remeasurement	–	(265)	–	235	(30)
Foreign exchange differences	–	–	–	(1)	(1)
At 31 December 2024	1,707	28,514	37	1,469	31,727
<u>Carrying value:</u>					
At 1 January 2023	5,641	26,293	–	821	32,755
At 31 December 2023	5,376	23,274	100	614	29,364
At 31 December 2024	5,111	17,780	66	489	23,446

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

<u>Company</u>	<u>Software</u> RMB'000
<u>Cost:</u>	
At 1 January 2023	1,641
Remeasurement	(73)
Foreign exchange differences	68
At 31 December 2023	1,636
Remeasurement	323
Foreign exchange differences	(1)
At 31 December 2024	1,958
<u>Accumulated depreciation:</u>	
At 1 January 2023	820
Remeasurement	(43)
Depreciation for the year	208
Foreign exchange differences	37
At 31 December 2023	1,022
Remeasurement	235
Depreciation for the year	213
Foreign exchange differences	(1)
At 31 December 2024	1,469
<u>Carrying value:</u>	
At 1 January 2023	821
At 31 December 2023	614
At 31 December 2024	489

The Group leases land and properties (i.e. dental clinics, hospitals and office space), dormitory, warehouses and software for use in the Group's business operations.

Refer to Note 15A for the key assumptions used for impairment assessment.

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15. Intangible assets

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Goodwill (Note 15A)	125,219	125,219	–	–
Other intangible assets (Note 15B)	2,090	2,906	93	140
	<u>127,309</u>	<u>128,125</u>	<u>93</u>	<u>140</u>

15A. Goodwill

	Group	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Cost at beginning and end of the reporting years	<u>125,219</u>	<u>125,219</u>

Goodwill is allocated to CGUs for the purpose of impairment testing. Each of those CGUs represents the Group's investment by each primary reporting segments are as follows:

<u>Name of segment</u>	Group	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
<i>Primary healthcare</i>		
All dental centres consisting of dental hospitals and polyclinics	115,204	115,204
<i>Distribution of dental equipment and supplies</i>		
Shenyang Maotai Q & M Medical Equipment Co., Ltd.	3,203	3,203
<i>Laboratory services</i>		
Shenyang Qingaomei Oral Restorative Technology Co., Ltd.	6,812	6,812
	<u>125,219</u>	<u>125,219</u>

The goodwill was tested for impairment at the end of the reporting year. The identification of CGUs requires significant judgement and is influenced by the manner in which management monitors the Group's operations, and as to how management makes decisions about continuing or disposing of the Group's assets or operation.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or value in use. The recoverable amounts of CGUs have been measured using the value in use method (Level 3). The value in use 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).

Management engaged an external valuation expert to assist in the impairment assessment. 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 considered the committed plans for the near future, forecasted professional dentists recruitment and deployment having regard to past performance and forecasted operating costs, capital expenditure and the timing of cash flows.

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31 DECEMBER 2024

15. Intangible assets (cont'd)

15A. Goodwill (cont'd)

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 revenue 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.

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

Group	Revenue growth rate ⁽¹⁾		Discount rate ⁽²⁾	
	2024	2023	2024	2023
Primary healthcare CGU	10.4%	13.3%	12.0%	12.5%
Distribution CGU	9.9%	10.7%	9.0%	10.0%
Laboratory services CGU	7.1%	5.6%	9.5%	11.0%

⁽¹⁾ 5-year annual average growth rates.

⁽²⁾ Pre-tax discount rates.

Management forecasts the terminal growth rate at 3% (2023: 3%).

No 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 305 basis points (2023: 580 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 RMB42,765,000 (2023: RMB38,241,000).

Distribution CGU

Actual outcomes could vary from these estimates. A decrease in the 5-year annual average revenue growth rate by 136 basis points (2023: 160 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 RMB5,850,000 (2023: RMB4,667,000).

NOTES TO THE FINANCIAL STATEMENTS

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15. Intangible assets (cont'd)

15A. Goodwill (cont'd)

Laboratory services CGU

Actual outcomes could vary from these estimates. A decrease in the revenue 5-year annual average revenue growth rate by 135 basis points (2023: 610 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 RMB7,396,000 (2023: RMB4,502,000).

The same cash flow forecasts have also been used for impairment assessment of the Group's property, plant and equipment, other intangible assets and right-of-use assets, and the Company's investments in subsidiaries. No impairment loss was recognised because the carrying amounts of the assets were lower than their recoverable amounts.

15B. Other intangible assets

<u>Group</u>	Customer <u>lists</u> RMB'000	<u>Software</u> RMB'000	<u>Total</u> RMB'000
<u>Cost:</u>			
At 1 January 2023	8,136	1,633	9,769
Additions	–	19	19
Foreign exchange differences	–	19	19
At 31 December 2023	8,136	1,671	9,807
Additions	–	60	60
At 31 December 2024	8,136	1,731	9,867
<u>Accumulated amortisation:</u>			
At 1 January 2023	5,247	626	5,873
Amortisation for the year	814	202	1,016
Foreign exchange differences	–	12	12
At 31 December 2023	6,061	840	6,901
Amortisation for the year	691	185	876
At 31 December 2024	6,752	1,025	7,777
<u>Carrying value:</u>			
At 1 January 2023	2,889	1,007	3,896
At 31 December 2023	2,075	831	2,906
At 31 December 2024	1,384	706	2,090

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

15. Intangible assets (cont'd)

15B. Other intangible assets (cont'd)

<u>Company</u>	<u>Software</u> RMB'000
<u>Cost:</u>	
At 1 January 2023	462
Foreign exchange differences	19
At 31 December 2023 and 31 December 2024	481
<u>Accumulated amortisation:</u>	
At 1 January 2023	283
Amortisation for the year	45
Foreign exchange differences	13
At 31 December 2023	341
Amortisation for the year	47
At 31 December 2024	388
<u>Carrying value:</u>	
At 1 January 2023	179
At 31 December 2023	140
At 31 December 2024	93

Refer to Note 15A for the key assumptions used for impairment assessment.

16. Investments in subsidiaries

	<u>Company</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Unquoted equity interests, at cost	284,331	284,331
Less: Allowance for impairment loss	(1,740)	(1,740)
Foreign exchange differences	28,367	28,392
Net carrying amount	310,958	310,983
 Movements in allowance for impairment loss:		
At beginning of the year	(1,740)	(1,670)
Foreign exchange differences	–	(70)
At end of the year	(1,740)	(1,740)

NOTES TO THE FINANCIAL STATEMENTS

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16. Investment in subsidiaries (cont'd)

16A. Listing of and information on subsidiaries

Name of subsidiaries, place of operations and principal activities	Cost of investment		Effective equity held	
	2024	2023	2024	2023
	RMB'000	RMB'000	%	%
<i>Held by the Company</i>				
Q & M Dental (Shenyang) Pte. Ltd. ^{(b) (f)}	176,094	176,109	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) (g)}	134,864	134,874	100	100
	<u>310,958</u>	<u>310,983</u>		
<i>Held through subsidiaries</i>				
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) (g)}			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
盘锦精诚全民口腔有限责任公司 Panjin Jingcheng Q & M Stomatology Co., Ltd. ^(g)			100	100
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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

16. Investment in subsidiaries (cont'd)

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

Name of subsidiaries, place of operations and principal activities	Effective equity held	
	2024	2023
	%	%
<i>Held through subsidiaries (cont'd)</i>		
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
沈阳盛泰深茂贸易有限公司 Shenyang Shengtai Shenmao Trading Co., Ltd. ^{(d) (i)}	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
启诚（沈阳市）数字智能科技有限公司 Qicheng (Shenyang) Digital Intelligent Technology Co., Ltd. ^{(c) (h) (k)}	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) (i)}	100	100
锦州奥新尤信口腔医院有限公司 Jinzhou Aoxin Youxin Dental Stomatology Hospital Co., Ltd. ^(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. ^(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. ^(h)	100	100
沈阳新创医疗科技有限公司 Shenyang Xinchuang Medical Technology Co., Ltd. ^{(c) (g)}	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

16. Investment in subsidiaries (cont'd)

16A. 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 subsidiaries is investment holding.
- (c) The principal activities of the subsidiaries 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 SG Assurance LLP.
- (g) Audited by SBA Stone Forest (Shanghai) CPA Co., Ltd, an alliance firm of RSM SG Assurance LLP.
- (h) Audited by Liaoning Runzhi CPAs, a firm of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.
- (i) Registered in PRC on 3 December 2024.
- (j) Ceased operation in October 2024 and in the midst of applying for strike-off.
- (k) Registered in PRC on 12 July 2024.

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

Other than Q & M Dental (Shenyang) Pte. Ltd., which is incorporated and operating in Singapore, the remaining subsidiaries are registered and operating in the PRC.

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

17. Investment in an associate

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Unquoted equity shares at cost	147,847	147,847	147,847	147,847
Less: Allowance for impairment	(107,044)	(107,044)	(151,435)	(137,196)
Share of results, net of dividend received	(44,198)	(29,959)	–	–
Foreign exchange adjustments	10,111	10,053	10,304	10,246
Net carrying amount	<u>6,716</u>	<u>20,897</u>	<u>6,716</u>	<u>20,897</u>
Movements in net carrying amount:				
At beginning of the year	20,897	74,832	20,897	74,832
Impairment loss	–	(46,869)	(14,239)	(56,126)
Share of results for the year	(14,239)	1,061	–	–
Dividends	–	(10,497)	–	–
Foreign exchange adjustments	58	2,370	58	2,191
At end of the year	<u>6,716</u>	<u>20,897</u>	<u>6,716</u>	<u>20,897</u>
Movements in above allowance for impairment:				
At beginning of the year	(107,044)	(60,175)	(137,196)	(81,070)
Impairment loss to profit or loss	–	(46,869)	(14,239)	(56,126)
At end of the year	<u>(107,044)</u>	<u>(107,044)</u>	<u>(151,435)</u>	<u>(137,196)</u>

NOTES TO THE FINANCIAL STATEMENTS

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17. Investment in an associate (cont'd)

The associate held by the Group is listed as below:

Name of associates, country of incorporation, place of operations and principal activities and independent auditor

Effective equity held

2024 2023

Held by Company

% %

Acumen Diagnostics Pte. Ltd. ^{(a) (c)}
Singapore

49 49

Held by Acumen Diagnostics Pte. Ltd.

Acumen Research Laboratories Pte. Ltd. ^{(b) (c)}
Singapore

49 49

- (a) The principal activities of the associate are medical laboratories and manufacture of medical, dental tools, instruments and supplies.
- (b) The principal activities of the investee are research and experimental development on biotechnology, life and medical science.
- (c) Audited by RSM SG Assurance LLP.

Acumen Diagnostics Pte. Ltd. and Acumen Research Laboratories Pte. Ltd. are referred to as the Acumen Group.

The Group's and the Company's investment in the Acumen Group was subject to impairment assessment due the suspension of Acumen's laboratory business after the expiry of Acumen's laboratory license and the cessation of Acumen's sole source of revenue and income after the closure of its Joint Testing and Vaccination Centre during the reporting year. Any shortfall of recoverable amounts against the carrying value of the assets would be recognised as impairment loss.

In the absence of new source of revenue and uncertainty about the future business and cash flows from Acumen Group, management applied the fair value less costs of disposal method to determine the recoverable amount of investment in associate. Management exercised judgement and determined that the net assets value of Acumen Group as at 31 December 2024 approximates the fair value of the associate, and the costs of disposal is not material. The net assets value of Acumen Group comprised primarily cash and cash equivalents and receivables, and accrued expenses. Management reviewed the statement of financial position of the Acumen Group and determined no further write down of assets and accrual of liabilities is necessary.

For FY2023, the impairment test was carried out using a discounted cash flow model covering a nine-year period. Cash flows projections are based on the next nine year budgets and plans approved by management; cash flows projections beyond that nine-year period have been extrapolated on the basis of a 3% terminal growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) is 25%. Management believes that any reasonably possible change in the key assumptions on which this segment's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

17. Investment in an associate (cont'd)

The summarised financial information and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associate is as follows:

	Group	
	2024	2023
	RMB'000	RMB'000
<u>Acumen Group</u>		
Revenue	22,519	34,362
Total comprehensive (loss) / income	<u>(29,057)</u>	<u>2,627</u>
Non-current assets	–	30,891
Current assets	17,246	17,841
Current liabilities	(3,207)	(4,687)
Non-current liabilities	(247)	(9,967)
Net assets of associate	<u>13,792</u>	<u>34,078</u>
Interest at 49%	6,758	16,698
Goodwill	101,190	101,190
Foreign exchange differences	5,812	10,053
Impairment loss	(107,044)	(107,044)
Net carrying amount of interest in associate	<u>6,716</u>	<u>20,897</u>

18. Other receivables

	Company	
	2024	2023
	RMB'000	RMB'000
Subsidiary (Note 3)	<u>6,426</u>	<u>6,426</u>

Other receivables from a subsidiary bear interest at 4.35% (2023: 4.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. Other non-financial assets

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Non-current</u>				
Sign-on bonus	15	77	15	77
Prepayments	34	38	–	–
Subtotal	49	115	15	77
<u>Current</u>				
Sign-on bonus	62	62	62	62
Prepayments	1,705	1,692	92	92
Income tax recoverable	–	21	–	–
Subtotal	1,767	1,775	154	154
Total other non-financial assets	1,816	1,890	169	231

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.

20. Inventories

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Dental and medical supplies	3,283	3,752
Finished goods for resale	4,989	5,589
Raw materials	2,048	1,734
	10,320	11,075

Inventories are stated after allowance as follows:

At beginning of the year	615	–
Charge to profit or loss in other losses (Note 6)	70	615
At end of the year	685	615

There are no inventories pledged as security for liabilities.

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21. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Trade receivables:</u>				
Outside parties	32,374	29,285	–	–
Subsidiaries (Note 3)	–	–	17,506	16,308
Less: Allowance for impairment	(667)	(680)	–	–
Subtotal	31,707	28,605	17,506	16,308
<u>Other receivables:</u>				
Outside parties	5,435	4,933	2	2
Staff loans	2,239	2,240	–	–
Deposits paid to suppliers	527	1,756	–	–
Subsidiaries (Note 3)	–	–	1,096	851
Subtotal	8,201	8,929	1,098	853
Total trade and other receivables	39,908	37,534	18,604	17,161
<u>Movements in above allowance:</u>				
At beginning of the year	680	1,164	–	–
Reversal to profit or loss	(13)	(463)	–	–
Used	–	(21)	–	–
At end of the year	667	680	–	–

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

Trade receivables

The Group's dental hospitals and clinics do not generally grant credit as services are usually settled in cash, credit card payments and "Yi Bao" (i.e. 中华人民共和国医疗保险), which is the PRC's social health insurance. The credit card companies usually take a few days to settle the payments made by the customers to the Group and Yi Bao is managed by the National Healthcare Security Administration ("NHSA"), a government agency in the PRC. The credit card companies and NHSA are regarded as of low credit risk. The 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 (2023: 30 days to 180 days) to their customers. As part of the process of setting customer credit limits, different credit terms are used. However, some customers take a longer period to settle the amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

21. Trade and other receivables (cont'd)

Trade receivables (cont'd)

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

			<u>Past due</u>			
	<u>Current</u>	<u>Within</u>	<u>31 to 60</u>	<u>61 to 90</u>	<u>Over</u>	<u>Total</u>
	<u>RMB'000</u>	<u>30 days</u>	<u>days</u>	<u>days</u>	<u>90 days</u>	<u>RMB'000</u>
		<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	
<u>2024</u>						
ECL rate (%)	0.1%	3.4%	4.3%	6.7%	33.2%	2.1%
Trade receivables – gross	28,523	1,130	516	610	1,595	32,374
Loss allowance	(37)	(38)	(22)	(41)	(529)	(667)
	<u>28,486</u>	<u>1,092</u>	<u>494</u>	<u>569</u>	<u>1,066</u>	<u>31,707</u>
<u>2023</u>						
ECL rate (%)	0.1%	1.6%	4.9%	6.5%	46.6%	2.3%
Trade receivables – gross	24,804	2,498	506	247	1,230	29,285
Loss allowance	(25)	(41)	(25)	(16)	(573)	(680)
	<u>24,779</u>	<u>2,457</u>	<u>481</u>	<u>231</u>	<u>657</u>	<u>28,605</u>

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Top 1 customer	2,056	2,336
Top 2 customers	3,527	3,993
Top 3 customers	<u>4,805</u>	<u>5,528</u>

Other receivables

Other receivables, including staff loans, are non-trade in nature, non-interest bearing, unsecured and repayable on demand or within the next 12 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.

NOTES TO THE FINANCIAL STATEMENTS

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22. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Not restricted in use	<u>69,937</u>	<u>51,184</u>	<u>21,965</u>	<u>23,193</u>

The interest earning balances are not material.

RMB is not freely convertible into foreign currencies. The remittance of these funds, which are maintained with banks in the PRC by the Group, out of the PRC is subject to local currency control regulations. As at the end of the reporting year, cash and cash equivalents held by the Group's subsidiaries in the PRC totalled RMB46,896,000 (2023: RMB26,820,000).

22A. Reconciliation of liabilities arising from financing activities

<u>Group</u>	<u>Beginning of the year</u>	<u>Cash flows</u>	<u>Non-cash changes^(a)</u>	<u>End of the year</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>2024</u>				
Borrowings	1,020	(700)	19	339
Lease liabilities	<u>24,524</u>	<u>(8,582)</u>	<u>1,694</u>	<u>17,636</u>
	<u>25,544</u>	<u>(9,282)</u>	<u>1,713</u>	<u>17,975</u>
<u>2023</u>				
Borrowings	1,618	(655)	57	1,020
Bill payables	2,600	(2,600)	–	–
Lease liabilities	<u>31,050</u>	<u>(10,284)</u>	<u>3,758</u>	<u>24,524</u>
	<u>35,268</u>	<u>(13,539)</u>	<u>3,815</u>	<u>25,544</u>

(a) Due to foreign exchange differences and remeasurement of lease liabilities.

23. Share capital

	<u>Group and Company</u>	
	<u>Number of shares issued</u>	<u>Share capital</u>
	'000	RMB'000
<u>Ordinary shares of no par value:</u>		
At 1 January 2023 and 31 December 2023	511,289	445,473
Issuance of new shares	<u>233</u>	<u>250</u>
At 31 December 2024	<u>511,522</u>	<u>445,723</u>

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

On 24 December 2024, the Company issued 233,413 new ordinary shares amounting to RMB250,000 to Dr Yang Li, who was a dentist in a subsidiary, in accordance with the performance shares granted under the Aoxin Q & M Performance Share Plan. These shares are held in trust by Honour Pte. Ltd. on behalf of Dr Yang Li.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

23. Share capital (cont'd)

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 Group's and the Company'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).

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

As at the end of the reporting year, the Group's cash and cash equivalents were in excess of its total borrowings. Therefore, the debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

The subsidiaries incorporated in the PRC are subject to local currency exchange controls on the remittance of funds out of the PRC.

23A. Aoxin Q & M Employee Share Option Scheme

The Company 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.

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.

As at 31 December 2023 and 31 December 2024, there were no outstanding share options.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

23. Share capital (cont'd)

23B. Aoxin Q & M Performance Share Plan

The Company 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.

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

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.

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 would vest in accordance with the vesting schedules each commencing on 1 January 2020 and ending on 31 December 2029, subject to certain vesting conditions. On 24 December 2024, the Company issued 233,413 ordinary shares to this dentist in accordance to the Plan. The remaining 727,152 performance shares awarded had lapsed as the clinic where the dentist was operating ceased operation in October 2024 and the dentist has left the Group.

As at 31 December 2024, there are no (2023: 960,565) outstanding or unvested performance shares.

24. Other reserves

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Statutory reserve (Note 24A)	10,123	9,069	–	–
Share-based payment reserve (Note 24B)	6,736	7,403	6,736	7,403
Foreign currency translation reserve (Note 24C)	17,317	17,268	45,876	45,854
Other reserve (Note 24D)	(71,920)	(71,920)	–	–
	<u>(37,744)</u>	<u>(38,180)</u>	<u>52,612</u>	<u>53,257</u>

The other reserves are not available for cash dividends unless realised.

24A. Statutory reserve

In accordance with the relevant regulations in 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

24. Other reserves (cont'd)

24B. Share-based payment reserve

	Group and Company	
	2024	2023
	RMB'000	RMB'000
At beginning of the year	7,403	7,282
Expense recognised in profit or loss (Note 7)	(417)	121
Issuance of new shares (Note 23)	(250)	–
At end of the year	<u>6,736</u>	<u>7,403</u>

The share-based payment reserve comprises:

- Shares subscription by Honour Pte. Ltd. The share issue price of \$0.12 (equivalent to RMB0.59) is \$0.08 (RMB0.39) lower than the IPO price of \$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 of the shares within 5 years from 14 July 2017. Hence, the difference between the issue price and IPO price amounting to RMB6,400,000 (\$1,308,000) had been amortised to profit or loss over 5 years as share-based payments.
- 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. See Note 23A and Note 23B for the detail of Aoxin Q & M Employee Share Option Scheme and Aoxin Q & M Performance Share Plan respectively.

24C. Foreign currency translation reserve

	Group		Company	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year	17,268	13,590	45,854	29,522
Exchange differences on translating foreign operations	49	3,678	22	16,332
At end of the year	<u>17,317</u>	<u>17,268</u>	<u>45,876</u>	<u>45,854</u>

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.

24D. Other reserve

	Group
	2024
	RMB'000
At beginning and end of the year	<u>(71,920)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

25. Lease liabilities

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current	10,945	17,504	246	469
Current	6,691	7,020	238	214
	<u>17,636</u>	<u>24,524</u>	<u>484</u>	<u>683</u>

The leases are for dental and medical clinics and office premises. The lease contracts are usually for fixed periods of 1 to 11 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.

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 information of right-of-use-assets are disclosed in Note 14.

The weighted average incremental borrowing rate applied to lease liabilities recognised is between 4.8% and 6.4% (2023: 4.8% and 6.4%) per annum.

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

	Group	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Expense relating to short-term leases included in other expenses	844	737
Expense relating to leases of low-value assets included in other expenses	<u>305</u>	<u>149</u>
Total commitments on short-term leases at year end date	<u>1,045</u>	<u>329</u>

Total cash outflows for all leases in the year amount to RMB9,731,000 (2023: RMB11,170,000).

As at 31 December 2024, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

26. Other financial liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (unsecured)	<u>339</u>	<u>1,020</u>	<u>339</u>	<u>1,020</u>
Presented in the statements of financial position as follows:				
Non-current	–	339	–	339
Current	<u>339</u>	<u>681</u>	<u>339</u>	<u>681</u>
	<u>339</u>	<u>1,020</u>	<u>339</u>	<u>1,020</u>

The unsecured bank loan is a 5-year temporary bridging loan extended by a bank in Singapore.

27. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	<u>19,377</u>	<u>16,550</u>	<u>3,173</u>	<u>3,034</u>
<u>Other payables:</u>				
Outside parties	3,489	4,272	–	–
Contract liabilities	<u>2,348</u>	<u>2,325</u>	<u>–</u>	<u>–</u>
Subtotal	<u>5,837</u>	<u>6,597</u>	<u>–</u>	<u>–</u>
Total trade and other payables	<u>25,214</u>	<u>23,147</u>	<u>3,173</u>	<u>3,034</u>

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.

28. Operating lease income commitment – as lessor

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.

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:

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
Between 1 and 2 years	<u>119</u>	<u>183</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

29. Financial instruments: information on material policy information and financial risks

29A. Categories of financial assets and financial liabilities

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

	Group		Company	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost	<u>109,845</u>	<u>88,718</u>	<u>46,995</u>	<u>46,780</u>
Financial liabilities at amortised cost	<u>40,841</u>	<u>46,366</u>	<u>3,996</u>	<u>4,737</u>

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 risk, currency risk and price 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 risk 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.
- When appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

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

The Group and the Company are exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

29C. Fair values of financial instruments

The analyses 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 both 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

29D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks and receivables.

The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied.

Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively.

For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any 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 22 discloses the cash balances. 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 following table analyses the financial liabilities at the end of the reporting year by remaining contractual maturity (contractual undiscounted cash flows):

<u>Group</u>	<u>Within 1 year</u> RMB'000	<u>Within 2 to 5 years</u> RMB'000	<u>Over 5 years</u> RMB'000	<u>Total</u> RMB'000
<u>2024:</u>				
Trade and other payables	25,214	–	–	25,214
Lease liabilities	7,549	11,105	3,945	22,599
Other financial liabilities	348	–	–	348
	<u>33,111</u>	<u>11,105</u>	<u>3,945</u>	<u>48,161</u>
<u>2023:</u>				
Trade and other payables	23,147	–	–	23,147
Lease liabilities	8,359	18,470	387	27,216
Other financial liabilities	697	348	–	1,045
	<u>32,203</u>	<u>18,818</u>	<u>387</u>	<u>51,408</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

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

<u>Company</u>	<u>Within 1 year</u> RMB'000	<u>Within 2 to 5 years</u> RMB'000	<u>Over 5 years</u> RMB'000	<u>Total</u> RMB'000
<u>2024:</u>				
Trade and other payables	3,173	–	–	3,173
Lease liabilities	251	251	–	502
Other financial liabilities	348	–	–	348
	<u>3,772</u>	<u>251</u>	<u>–</u>	<u>4,023</u>
<u>2023:</u>				
Trade and other payables	3,034	–	–	3,034
Lease liabilities	257	514	–	771
Other financial liabilities	697	348	–	1,045
	<u>3,988</u>	<u>862</u>	<u>–</u>	<u>4,850</u>

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

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included based on the earliest date on which it can be required to pay.

The average credit period taken to settle current trade payables is about 60 (2023: 60) 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.

29F. Interest rate risk

The Group is not exposed to material interest rate risk.

29G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts of financial assets and financial liabilities at the end of the reporting year denominated in non-functional currencies is as follows:

<u>Group</u>	<u>United States Dollar</u>	
	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
<u>Financial assets:</u>		
Cash and cash equivalents	<u>160</u>	<u>427</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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

29G. Foreign currency risk (cont'd)

<u>Company</u>	<u>Chinese Renminbi</u>		<u>United States Dollar</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Financial assets:</u>				
Trade and other receivables	17,506	15,983	–	–
Cash and cash equivalents	10,029	4,704	–	272
Total financial assets	<u>27,535</u>	<u>20,687</u>	<u>–</u>	<u>272</u>

Sensitivity analysis:

<u>Group</u>	<u>2024</u>	<u>2023</u>
	RMB'000	RMB'000
A hypothetical 10% (2023: 10%) strengthening in the exchange rate of Chinese Renminbi against the United States Dollar with all other variables held constant would have an adverse effect on pre-tax profit of:	(16)	(43)

Company

A hypothetical 10% (2023: 10%) strengthening in the exchange rate of the functional currency Singapore Dollar against Chinese Renminbi with all other variables held constant would have an adverse effect on pre-tax profit of:	(2,754)	(2,069)
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A hypothetical 10% (2023: 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 an adverse effect on pre-tax profit of:	<u>–</u>	<u>(27)</u>
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The above table shows sensitivity to a hypothetical percentage variation in the functional currencies of the Group's companies against the relevant material non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For a similar rate weakening of the functional currencies 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

30. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. Those applicable to the Group are listed below and none had material impact on the Group.

<u>SFRS(I) No.</u>	<u>Title</u>
SFRS(I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current
SFRS(I) 1- 1	Presentation of Financial Statements- amendment relating to Non-current Liabilities with Covenants
SFRS(I) 1-7 and 7	Supplier Finance Arrangements (amendment)
SFRS(I) 16	Lease Liability in a Sale and Leaseback (Amendments)
SFRS(I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements

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

The ASC issued certain new or revised financial reporting standards for the future reporting years. Those applicable to the Group for future reporting years are listed below.

<u>SFRS(I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS(I) 1-21	The Effects of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability	1 January 2025
SFRS(I) 9 and 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 18	Presentation and disclosures in financial statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

SFRS(I) 18 replaces SFRS(I) 1-1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances.

The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting 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.

STATISTICS OF SHAREHOLDINGS

AS AT 19 MARCH 2025

SHARE CAPITAL

Class of shares	: Ordinary Shares
Voting rights	: One vote per ordinary share
Number of issued and paid-up shares	: 511,522,048
Number of treasury shares	: NIL
Number of subsidiary holding	: NIL

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS AS AT 19 MARCH 2025

<u>Size of Shareholdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 - 99	0	0.00	0	0.00
100 - 1,000	207	29.62	194,700	0.04
1,001 - 10,000	184	26.32	1,016,700	0.20
10,001 - 1,000,000	282	40.34	34,650,315	6.77
1,000,001 and above	26	3.72	475,660,333	92.99
Total	699	100.00	511,522,048	100.00

LIST OF 21 LARGEST REGISTERED SHAREHOLDERS AS AT 19 MARCH 2025

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	Q & M DENTAL GROUP (SINGAPORE) LIMITED	167,670,838	32.78
2	HEALTH FIELD ENTERPRISES LIMITED	109,401,709	21.39
3	ONG SIEW HWA (WANG XIUHUA)	88,021,818	17.21
4	UOB KAY HIAN PTE LTD	21,008,413	4.11
5	MAYBANK SECURITIES PTE. LTD.	16,551,826	3.24
6	FINEST INTERNATIONAL LIMITED	10,516,320	2.06
7	MOUNTAIN LIMITED	7,265,605	1.42
8	EXCLUSIVE INNOVATION PTE LTD	5,658,490	1.11
9	TAN LEE MENG	5,635,321	1.10
10	LIM KUO KAE	5,591,800	1.09
11	EXCELLENT WARSHIP INTERNATIONAL LIMITED	5,502,969	1.08
12	WEIXIA PTE LTD	3,754,781	0.73
13	OCBC SECURITIES PRIVATE LTD	3,154,820	0.62
14	LEO KAH WEI ANDREW	3,010,049	0.59
15	PONG CHEN YIH (FENG ZENGYU)	3,010,049	0.59
16	KWONG SIEW KIEN	2,634,800	0.52
17	HONOUR PTE. LTD.	2,441,000	0.48
18	JOYCE INTERNATIONAL LIMITED	2,026,471	0.40
19	PHILLIP SECURITIES PTE LTD	1,920,000	0.38
20	HC SURGICAL SPECIALISTS LIMITED	1,748,827	0.34
21	SHINEX CAPITAL PTE LTD	1,748,827	0.34
		468,274,733	91.58

STATISTICS OF SHAREHOLDINGS

AS AT 19 MARCH 2025

SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC AS AT 19 MARCH 2025

Based on information available to the Company as at 19 March 2025, approximately 28.07% 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 AS AT 19 MARCH 2025

<u>No.</u>	<u>Name</u>	<u>No. of shares held as Direct</u>	<u>%⁽¹⁾</u>	<u>No. of shares held as Deemed</u>	<u>%⁽¹⁾</u>
1	Q & M Dental Group (Singapore) Limited	167,670,838	32.78	-	-
2	Health Field Enterprises Limited	109,401,709	21.39	-	-
3	Dr. Ong Siew Hwa	88,021,818	17.21	-	-
4	Quan Min Holdings Pte. Ltd. ⁽²⁾⁽³⁾	2,562,800	0.50	167,670,838	32.78
5	Dr. Ng Chin Siau ⁽⁴⁾	163,300	0.03	170,243,638	33.28
6	Dr. Shao Yongxin ⁽⁵⁾	-	-	109,401,709	21.39
7	Action Health Enterprises Limited ⁽⁵⁾⁽⁶⁾	-	-	109,401,709	21.39

Notes:

- (1) The percentage shareholding interest is computed based on 511,522,048 shares as at 19 March 2025.
- (2) Quan Min Holdings Pte. Ltd. is deemed to be interested in Q & M Dental Group (Singapore) Limited's shares by virtue of its 52.43% shareholdings in Q & M Dental Group (Singapore) Limited.
- (3) 2,000,000 shares of the direct interest of Quan Min Holdings Pte. Ltd. are held through the nominee account with OCBC Securities Private Limited.
- (4) Dr. Ng Chin Siau is deemed interested in an aggregate of 170,233,638 shares held by Q & M Dental Group (Singapore) Limited and Quan Min Holdings Pte. Ltd. by virtue of his 49.80% shareholding in Quan Min Holdings Pte. Ltd.. He is also deemed interested in 10,000 shares held by his spouse, Madam Foo Siew Jiuan.
- (5) 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.
- (6) 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 at 2 Clementi Loop, #03-02 Singapore 129809 on Wednesday, 30 April 2025 at 2.30 p.m. (the “**AGM**”) for the following purposes:

Ordinary Business

1. To receive and adopt Statement by Directors and Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$265,000 for the financial year ended 31 December 2024 [2023: S\$236,000]. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$222,000 for the financial year ended 31 December 2025, to be paid quarterly in arrears. **(Resolution 3)**
4. To re-elect Mr. Chua Ser Miang who is retiring pursuant to Regulation 117 of the Company’s Constitution. **(Resolution 4)**
[see Explanatory Note (i)]
5. To re-elect Professor Chew Chong Yin who is retiring pursuant to Regulation 117 of the Company’s Constitution. **(Resolution 5)**
[see Explanatory Note (ii)]
6. To re-appoint Messrs RSM SG Assurance LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an annual general meeting.

Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 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:

- (l) (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

NOTICE OF ANNUAL GENERAL MEETING

- (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 7)

[see Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to allot and issue shares under the Aoxin Q & M Employee Share Option Scheme (the “Scheme”)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore, the Directors of the Company be authorised and empowered to offer and grant share options in accordance with the provisions of the Scheme 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 under the Scheme, the aggregate number of shares available pursuant to the Scheme, the Share Plan and any other share-based schemes (if any) 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 8)

[see Explanatory Note (iv)]

10. **Authority to allot and issue shares under the Aoxin Q & M Performance Shares Plan (the “Share Plan”)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore, the Directors of the Company be authorised and empowered to offer and grant share awards in accordance with the provisions of the Share Plan and 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 vesting of awards under the Share Plan, provided the aggregate number of shares available pursuant to the Scheme, the Share Plan and any other share-based schemes (if any) 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 9)

[see Explanatory Note (iv)]

By Order of the Board

Dr. Shao Yongxin

Executive Director and
Group Chief Executive Officer

Singapore, 14 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolution 4

Mr. Chua Ser Miang will, upon re-election as a Director of the Company, remain as Independent Director and Non-Executive Chairman, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee. Mr. Chua Ser Miang will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

(ii) Ordinary Resolution 5

Professor Chew Chong Yin will, upon re-election as a Director of the Company, remain as Independent Director, Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee. Professor Chew Chong Yin will be considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

(iii) Ordinary Resolution 7

The ordinary resolution 7 proposed above, 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.

(iv) Ordinary Resolutions 8 and 9

The ordinary resolutions 8 and 9 proposed above, 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 share awards under the Share Plan, both the Scheme and Share Plan 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.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES:

1. The AGM will be held in a wholly physical format, at 2 Clementi Loop, #03-02 Singapore 129809 on Wednesday, 30 April 2025 at 2.30 p.m. Printed copies of this Notice of AGM, proxy form and Request Form will be sent to shareholders of the Company. These documents together with the Annual Report 2024 will be made available on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.aoxinqm.com.sg>.
2. Please bring along your NRIC/passport to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process.

Submission of Proxy Forms to Vote:

3. A shareholder who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/ her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. A proxy need not to be a shareholder of the Company.
5. A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
6. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a shareholder (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor 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 an attorney or an officer duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
8. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be:
 - (a) deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
 - (b) emailed to: sg.is.proxy@vistra.com,
 by **2.30 p.m. on Sunday, 27 April 2025**, being not less than seventy-two (72) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.
9. The proxy must bring along his/her NRIC/passport to enable the Company to verify his/her identity. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy shall be revoked.
10. (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

NOTICE OF ANNUAL GENERAL MEETING

- (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967.

11. For CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. **by 2.30 p.m. on Monday, 21 April 2025**.
12. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions in advance of the AGM:

13. Shareholders who have any questions in relation to any agenda item of this notice, may send their queries to the Company in advance, by **Tuesday, 22 April 2025**, 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.
14. The Company will endeavour to address all substantial and relevant questions received from Shareholders and will upload the responses on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.aoxinqm.com.sg> at least 48 hours prior to the closing date and time for the lodgement of the proxy forms, i.e. **by 2.30 p.m. on Friday, 25 April 2025. Substantial and relevant questions received after the said deadline will be addressed by the Company together with questions raised at the AGM.**
15. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.aoxinqm.com.sg> and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

Annual Report and other documents

The Company's Annual Report 2024 may be accessed from the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.aoxinqm.com.sg>. No printed copies of the Annual Report will be sent to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

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 any question prior to the AGM in accordance with this notice, a shareholder 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 proxies and representatives appointed 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) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions; and
- (c) 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 shareholder'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.

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AOXIN Q & M DENTAL GROUP LIMITED

(Company Registration No.: 201110784M)
(Incorporated in the Republic of Singapore)
(the “Company”)

**ANNUAL GENERAL MEETING
PROXY FORM**

IMPORTANT:

- This form of proxy has been made available on the SGXNet and the Company’s website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.aoxinqm.com.sg>.
- Relevant intermediaries (as defined in Section 181(6) of the Singapore Companies Act 1967) may appoint more than two (2) proxies to attend, speak and vote at the annual general meeting (“AGM”).
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold the Company’s shares through CPF agent banks or SRS operators. CPF/SRS investors should contact their respective CPF agent banks or SRS operators if they have any queries regarding appointment of their proxies.
- CPF or SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the AGM i.e. by 2.30 p.m. on Monday, 21 April 2025.

*I/We _____ (Name) _____ (NRIC/Passport/Co. Registration No.)
of _____ (Address)
being * a shareholder/shareholders of Aoxin Q & M Dental Group Limited, hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, the Chairman of the AGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at 2 Clementi Loop, #03-02 Singapore 129809 on Wednesday, 30 April 2025 at 2.30 p.m. and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the AGM and/or at any adjournment thereof.

Voting would be conducted by poll. Please indicate your vote “For” or “Against” with a tick [√] within the box provided.

No.	Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of directors’ statement and audited financial statements of the Company for the financial year ended 31 December 2024 together with the Independent Auditor’s Report thereon			
2.	Approval of the sum of S\$265,000 to be paid as directors’ fees for the financial year ended 31 December 2024 [2023:S\$236,000]			
3.	Approval of the sum of S\$222,000 to be paid quarterly in arrears as directors’ fees for the financial year ended 31 December 2025			
4.	Re-election of Mr. Chua Ser Miang as director			
5.	Re-election of Professor Chew Chong Yin as director			
6.	Re-appointment of Messrs RSM SG Assurance LLP as the Company’s Auditors and to authorise the directors to fix their remuneration.			
SPECIAL BUSINESS				
7.	To authorise directors to allot and issue shares			
8.	To authorise directors to issue shares under the Scheme			
9.	To authorise directors to issue shares under the Share Plan			

Dated this _____ day of _____ 2025.

Total No. of Shares held in	
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 proxy or proxies of the AGM shall be deemed to relate to all the shares held by you.
2. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a shareholder (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
3. The instrument appointing the proxy or proxies must be under the hand of the appointor 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, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
4. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be:
 - (a) deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
 - (b) emailed to: sg.is.proxy@vistra.com,

by 2.30 p.m. on Sunday, 27 April 2025, being not less than seventy-two (72) hours before the time appointed for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A shareholder can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport to enable the Company to verify his/her identity. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy shall be revoked.

5.
 - (a) A shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.
 - (b) A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

6. For SRS investors who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. **by 2.30 p.m. on Monday, 21 April 2025**.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (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 14 April 2025.

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 City Shenhe District No. 6 Hospital (Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd. – Branch Hospital) 沈阳市沈河区第六医院（沈阳奥新全民口腔医院分院）	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
Jinzhou Aoxin Youxin Stomatology Hospital Co., Ltd. 锦州奥新尤信口腔医院有限公司	No. 14-74, 77 Anheji, Linghe District, Jinzhou City, Liaoning Province 辽宁省锦州市凌河区安和里14-74、77号	86-416-331-7777
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. 55-3, Building D, 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
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. 92-1, Shiyou Street, Xinglongtai District, Panjin City, Liaoning Province 辽宁省盘锦市兴隆台区石油大街92-1	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
DENTAL DISTRIBUTION AND 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
Shenyang Shengtai Shenmao Trading Co., Ltd. 沈阳盛泰深茂贸易有限公司	Room 1901, 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(1901)	86-24-2287-4848
DENTAL LABORATORIES		
Shenyang Qingamei Oral Restorative Technology Co., Ltd. 沈阳清奥美口腔镶复技术有限公司	Room 12-14, No. 109 Nanjing North Street, Heping District, Shenyang City, Liaoning Province 辽宁省沈阳市和平区南京北街109号12-14房间	86-24-8673-7370
Qicheng (Shenyang) Digital Intelligent Technology Co., Ltd. 启诚（沈阳市）数字智能科技有限公司	Room 2303, No. 47, Xinghua South Street, Tiexi District, Shenyang City, Liaoning Province 辽宁省沈阳市铁西区兴华南街47号(2303)	86-24-8673-7370
Shenyang Xinchuang Medical Technology Co., Ltd. 沈阳新创医疗科技有限公司	Heping Village, Heping Town, Faku County, Shenyang City, Liaoning Province 辽宁省沈阳市法库县和平乡和平村	NIL
MEDICAL LABORATORIES		
Acumen Diagnostics Pte. Ltd. 敏锐诊断有限公司	41 Science Park Road, #01-02, Lobby B The Gemini, Singapore 117610 新加坡科学园路 41 号B大厅#01-02号（邮编117610）	65-69800080
Acumen Research Laboratories Pte. Ltd. 敏锐研究实验室有限公司	41 Science Park Road, #01-02, Lobby B The Gemini, Singapore 117610 新加坡科学园路 41 号B大厅#01-02号（邮编117610）	65-69800080



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