



AOXIN Q&M

AOXIN Q & M DENTAL GROUP LIMITED

**ADVANCING
TO THE
NEXT LEVEL**



SUSTAINABILITY REPORT 2018

Contents

I.	Board Statement	3
II.	About this Report	5
III.	Organisational Profile	6
IV.	Governance and Sustainability Approach	17
V.	Stakeholder Engagement	20
VI.	Material Topics	21
	• Economic Performance	22
	• Anti-Corruption	23
	• Energy	24
	• Training and Education	26
	• Occupational Health and Safety	31
	• Local Communities	33
VII.	SGX Five Primary Components Index	35
VIII.	Global Reporting Initiative (GRI) Content Index	36

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

The contact person for the Sponsor is Mr. Foo Siang Sheng (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Board Statement

Non-Executive Chairman's Welcome Message



Dear Stakeholders,

As one of the leading providers of dental services, equipment and supplies in the Liaoning Province, Northern People's Republic of China ("PRC"), we believe that our business is more than just a commercial enterprise and that it needs to continually evolve, adapt, as well as integrate sustainability across our entire organisation. Through this belief, we continue to strengthen our policies to guide the Group towards ensuring a fair and inclusive workplace, reducing our carbon footprint as well as maintaining sustainable business practices.

We are cognisant that our stakeholders are increasingly taking notice of the environmental and social impact of our activities, and we hope to embed sustainability deeper into our corporate culture in order to further improve our sustainability practices. As we prepare our business operations for the next wave of growth, value creation through Environmental, Social and Governance ("ESG") integration continue to be our top

priority. By aligning with global and national sustainability standards, Aoxin Q & M Dental Group Limited, (the "Company" or "Aoxin Q & M", and together with its subsidiaries, the "Group") is poised to capitalise on our strong sustainability leadership, and prevailing opportunities from sustainable investment and development to unlock greater value for our business and stakeholders.

Our Board continues to oversee our Group's sustainability strategy and approach, including performance levels and targets of ESG factors that are material for the continuity of the business. For our second sustainability report, we have made several progresses to the targets set in our inaugural sustainability report. As we continue on our sustainability journey, we remain committed in making consistent improvements.

Board Statement



As our corporate motto goes, ***“Keep Going, Keep Smiling”***. We aim to continue to look out for opportunities of growth into areas residing in the Northern PRC and strategically expand our businesses into other cities and provinces.

About This Report

This sustainability report has been prepared in accordance with the GRI standards: Core Option, as well as the Singapore Exchange Securities Trading Limited’s (“SGX”) Catalyst Rules 711A and 711B. Aoxin Q & M recognises that sustainability reporting is critical to our business and long-term value creation.

We have incorporated the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to put together a comprehensive report. We have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

We have not sought external assurance for this sustainability report.

Reporting Standards	Report Period and Scope	Accessibility & Feedback
<ul style="list-style-type: none"> ▪ <i>This second sustainability report has been prepared in accordance with Rules 711(A) and 711(B), and the Global Reporting Initiative (“GRI”) Standards – Core Option. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. structured framework. Moreover, the structured framework includes discussions of our material sustainability principles and initiatives as we track and present our accountability of environmental, social and governance factors.</i> 	<ul style="list-style-type: none"> ▪ <i>This sustainability report focuses on the Group’s sustainability efforts and strategies for the period from 1 January 2018 to 31 December 2018 (“FY2018”) across the Group’s operations in the Northern PRC where the principal activities of the Group are carried out.</i> 	<ul style="list-style-type: none"> ▪ <i>The Group continues to print only limited copies of this sustainability report as part of our environmental conservation efforts. This sustainability report is available for download at: http://www.aoxinqm.com.sg/SUSTAINABILITY_RE2017.pdf-relations/sustainability-reports/</i> ▪ <i>We are committed to listening to our stakeholders and we value your feedback. Please send your feedback and enquires to: http://www.aoxinqm.com.sg/contact-us_en.php</i>

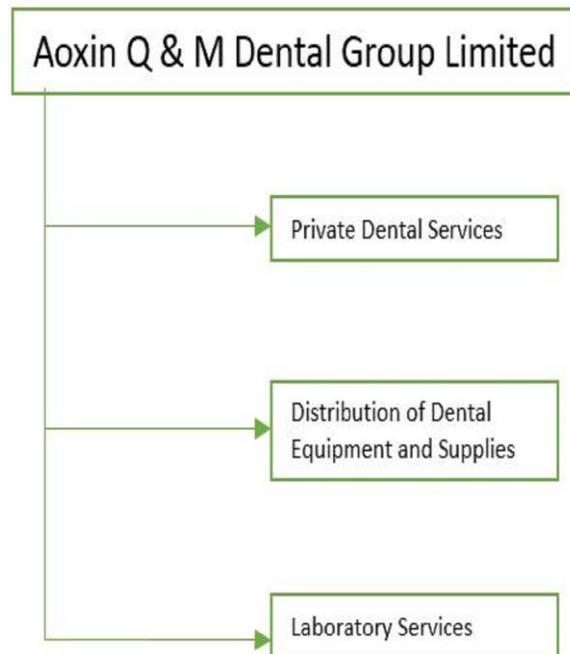
Organisational Profile

Background

The Company was listed on the Catalist Board of the SGX-ST (“Catalist”) on 26 April 2017.

The Group’s business can be categorised into three segments:

- i. the provision of private dental services, which includes, amongst others, the practice of stomatology and general dentistry, endodontics, orthodontics, periodontics, prosthodontics, dental implantology, oral and maxillofacial surgery, aesthetic dentistry and paedodontics, as well as the management of dental centres for and on behalf of other owners;
- ii. the 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. the laboratory services, which includes, amongst others, the manufacturing of porcelain crown, bridges and dentures.



We are one of the leading providers of private dental services and dental equipment and supplies in the Liaoning Province, Northern PRC. Since our incorporation, our Group has progressed steadily, and as at 31 December 2018, we have 276 dental professionals, comprising 119 dentists and 157 dental surgery assistants, and we operate and/or manage twelve (12) dental centres, comprising five (5) dental hospitals and seven (7) polyclinics, in six (6) different cities in Liaoning Province, Northern PRC, namely, Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, and Jinzhou.

Our dental equipment and supplies distribution network cover the Liaoning, Heilongjiang and Jilin Provinces in the Northern PRC.

Organisational Profile

Background (Cont'd)



-  7 间口腔门诊
7 dental polyclinics
-  5 间口腔医院
5 dental hospitals
-  1 间医学院
1 training centre
-  1 间设备销售
1 dental distribution & supplies
-  1 间技工厂
1 dental laboratory

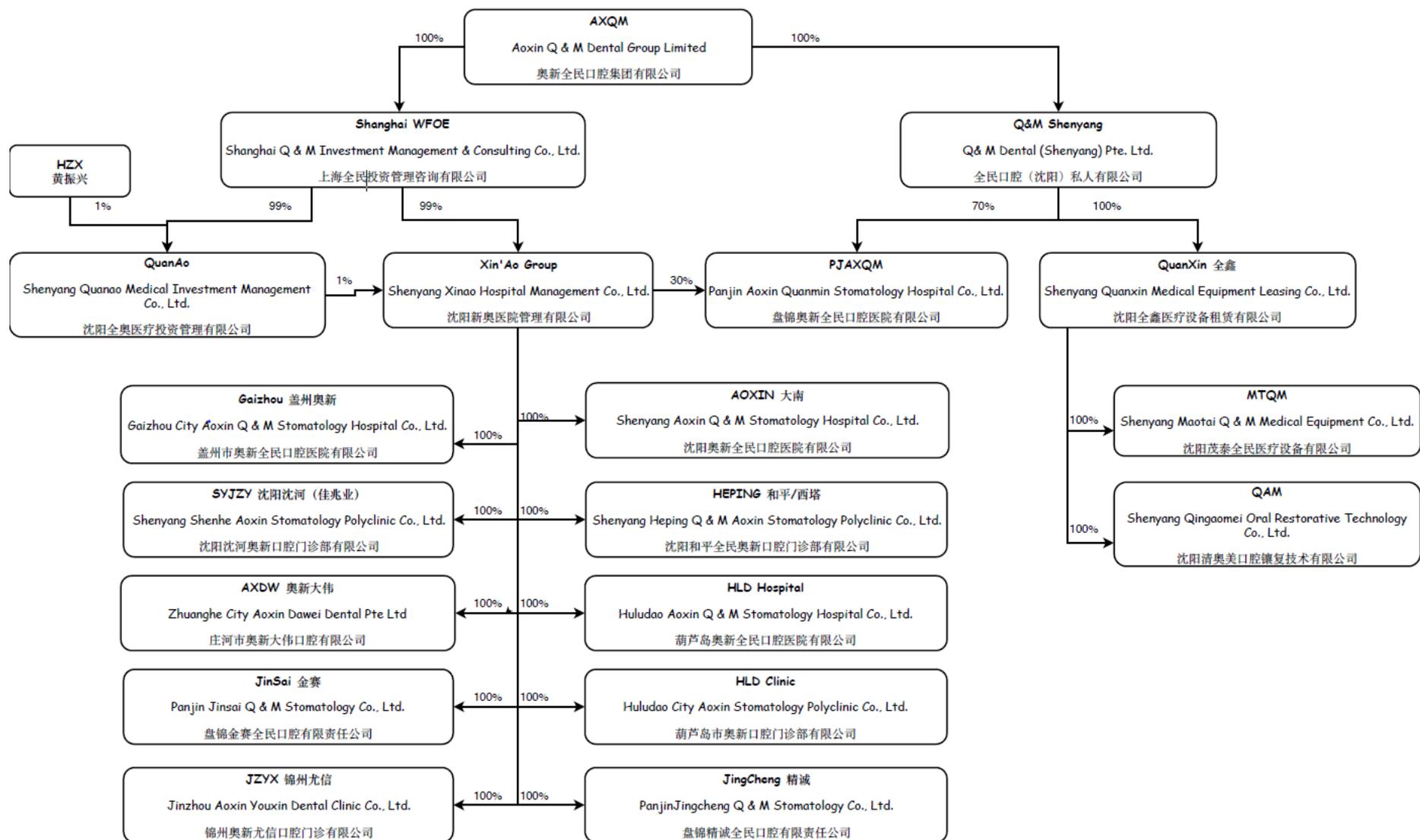
集团分布
Group's establishments



We are pleased to announce that we have officially opened a new dental hospital, Panjin Aoxin Quanmin Stomatology Hospital and a new dental polyclinic, Shenyang Shenhe Aoxin Stomatology Polyclinic in Kasia Commercial Centre in May 2018. The addition of these new dental practices will allow the easy and convenient access for our patients and customers to the relevant dental services. This was in line with our expansion plans to enable us to increase our reach to our patients. We aim to continue to look out for opportunities of growth in the Northern PRC and strategically expand our businesses into other cities and provinces, which is in line with our sustainability strategy for FY2019 and beyond.

Organisational Profile

The latest Group structure as at 31 December 2018 is reflected in the table below:



Organisational Profile

Objective

Business growth, contribution to the society and provide healthcare

最高目标:发展事业、造福社会、呵护健康

Attitude at work

Dedicated, practical, adaptable and innovative

工作作风:敬业、求实、博采、创新

Idea of Service

People-oriented mindset and value life

服务理念:以人为本、关爱生命

Principle of Competitiveness

Law abiding, honest, sincere, do not take advantage, not monopolistic

竞争原则:守法不乱，诚信不欺，取利不诈，享财不霸

Motto

To be kind, dedicated, hardworking and ambitious

院训:厚德、精业、勤诚、致远

Professional behavior

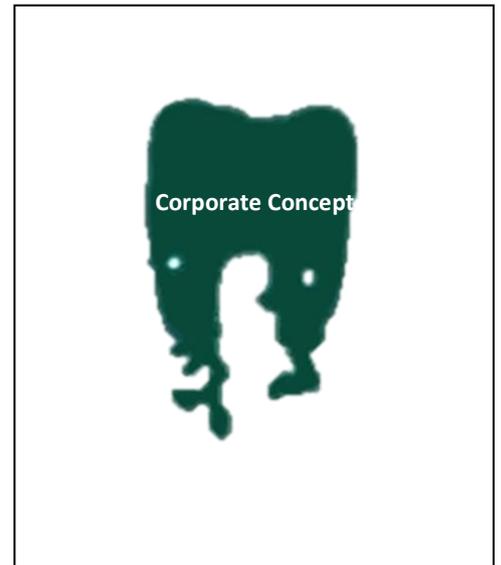
Be keen and eager to always lend a helping hand

职业风尚:急人之难、救人之困

Employment perceptions

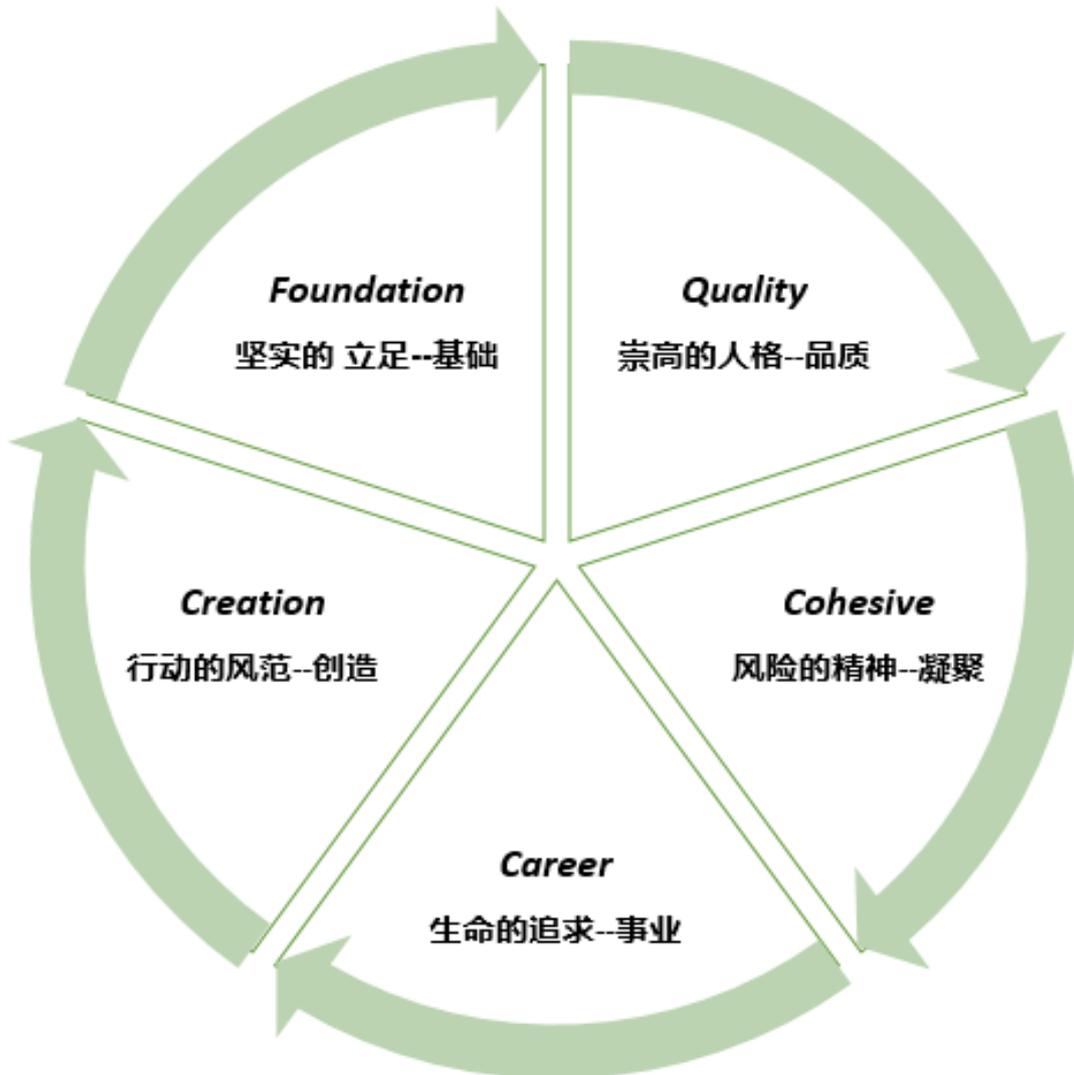
To be loyal and have high virtue

用人观念:忠诚高于价值、德行胜于能力



Organisational Profile

Values and Principles



We are driven by a set of values and principles, which inspires us to continuously improve our products and services. This also serves as the foundation of our organisation as one of the leading providers of private dental healthcare.

Organisational Profile

Supply Chain Management

Our Group uses different dental equipment and supplies while providing our services to the patients. Shenyang Maotai Q & M Medical Equipment Co. Ltd., a wholly-owned subsidiary of the Group, is engaged in the distribution and sale of dental equipment and supplies, such as dental chairs, ultrasound scanners, dental equipment, materials and consumables, to dental hospitals, clinics, distributors and laboratories.

We have a Procurement Policy in place which sets our guiding principles on our suppliers' assessment against our Group's sustainability criteria.

To maintain sustainable procurement practices, we have entered into long-term distribution agreements with major suppliers such as Shofu Dental Trading (Shanghai) Co., Ltd. (松风齿科器械贸易(上海)有限公司) and Shanghai Pinrui Medical Equipment Co., Ltd (上海品瑞医疗器械设备有限公司). We have also secured distribution rights for brands such as Acteon-Satelec and Shofu Dental for certain provinces, such as the Liaoning Province in the Northern PRC.



We also provide maintenance and aftersales support to our customers. Through our team of certified technicians, we offer maintenance and support for dental equipment and supplies within and beyond the warranty period, thus extending the useable lifespan of the equipment. We also work closely with our suppliers to ensure availability of specific parts and technical support for our customers in the event that they need repairs for the specific equipment.

In addition, we have 100% stake and control of our hospitals, polyclinic and entities. As such, we are able to take control of the procurement of dental equipment and supplies as well as fine tune the individual needs of our dental centers. With this in mind, we will be better positioned to obtain bulk volume discounts from our suppliers and ensure continued sustainability of our supply chain.

Organisational Profile

Membership of Associations and Certificates

Aoxin Q & M is committed to conduct our business in a responsible and sustainable manner. We have therefore aligned our operations and business practices with industry/market accepted principles and standards. In recognition of our efforts, we were awarded the latest **GB/T 19001-2016/ISO 9001:2015** certification in 2018, which demonstrated our ability to be consistent in providing our services that meets customers and applicable statutory and regulatory requirements.

In 2015, Liaoning Medical College certified that Shenyang Aoxin Q & M Stomatology Branch Hospital had met the standards set by the college and qualities reviewed by experts in the field.

In 2016, Shenyang Aoxin Q & M Stomatology Branch Hospital entered into a mutual agreement with Liaoning Medical College which allowed the exchange of knowledge in the field of dentistry. Given the medical facilities and resources that Liaoning Medical College has and the training opportunities we provide to aspiring dental professionals, the agreement proved to be beneficial to both parties. At the same time, it ensured that the professional standards of our dental professionals and services are always improving.

On 21 May 2018, Dr Shao Yongxin was reappointed as the Dean of Jinzhou Medical University. The re-appointment, for a further period of five years, is a recognition and a testament of his contributions to raise the standards of dental training in China. The Company collaborates with Jinzhou Medical University to provide instruction and training to students and dental professionals. Our stomatology training centre at Shenyang is also accredited by Jinzhou Medical University for undergraduate and post-graduate training. As a result, our students who graduate from this training centre with dental qualifications are recognised by reputable universities in China. Together with the re-appointment of Dr Shao, this training centre has received accreditation for a further five years. Currently, this is the only training centre accredited by a university in Northern China.

In FY2018, two (2) of our dentists, Dr Sun Hailong and Dr Ma Shuyi have been awarded the Young Clinical Doctor Award and Clinical Expert by Jinzhou Medical University respectively. In addition, Dr Sun Hailong was awarded the third prize for the Root Canal Therapy Competition hosted by United Dental (常州益锐医疗器材有限公司), DentaLink (深圳市菲森科技有限公司) and Yu Sen (佛山市宇森医疗器械有限公司).

Organisational Profile

Membership of Associations and Certificates (Cont'd)



GB/T 19001-2016/ISO 9001:2015 certification

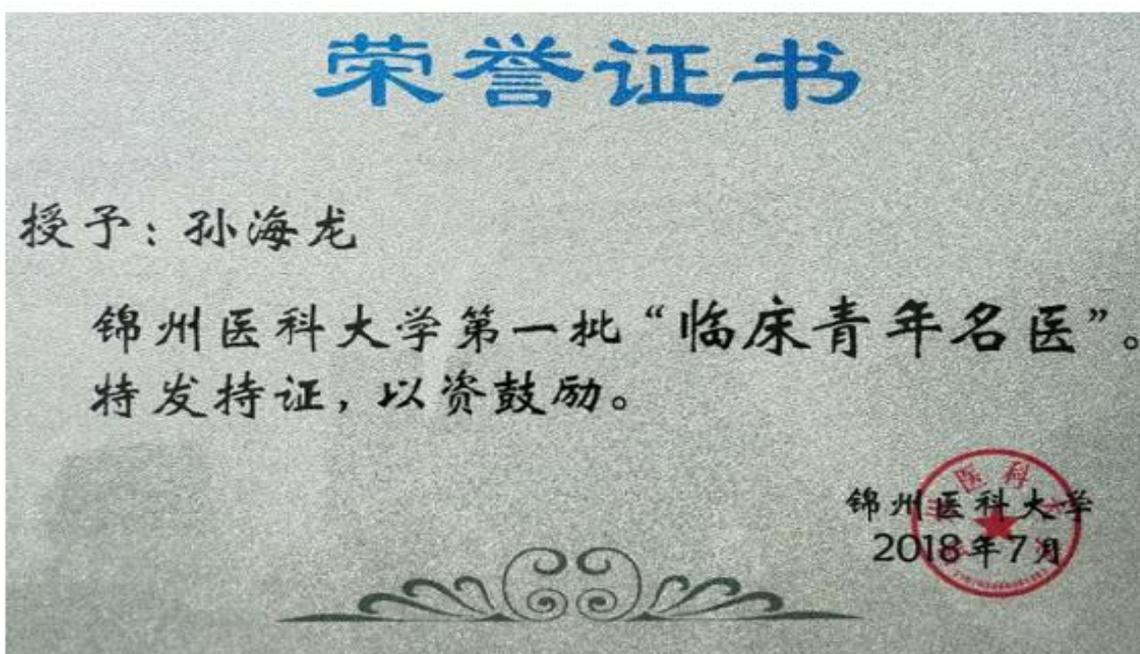
Organisational Profile

Membership of Associations and Certificates (Cont'd)



孙海龙-根管治疗三等奖

Sun Hailong - Third Prize in Root Canal Therapy



孙海龙-临床青年名医

Sun Hailong- Young Clinical Doctor Award

Organisational Profile

Membership of Associations and Certificates (Cont'd)



孙海龙-临床青年名医
Sun Hailong- Young Clinical Doctor Award



马书意-临床专家
Ma Shuyi- Clinical Expert

Organisational Profile

Membership of Associations and Certificates (Cont'd)



牛静-临床特色专科
Niujing-Clinical Speciality Award

锦州医科大学文件

锦医大校字〔2018〕74号

关于邵永新同志职务聘任的通知

各单位、各部门：

经学校研究决定，校长聘任：

邵永新为锦州医科大学沈阳口腔医学院院长，聘期五年。



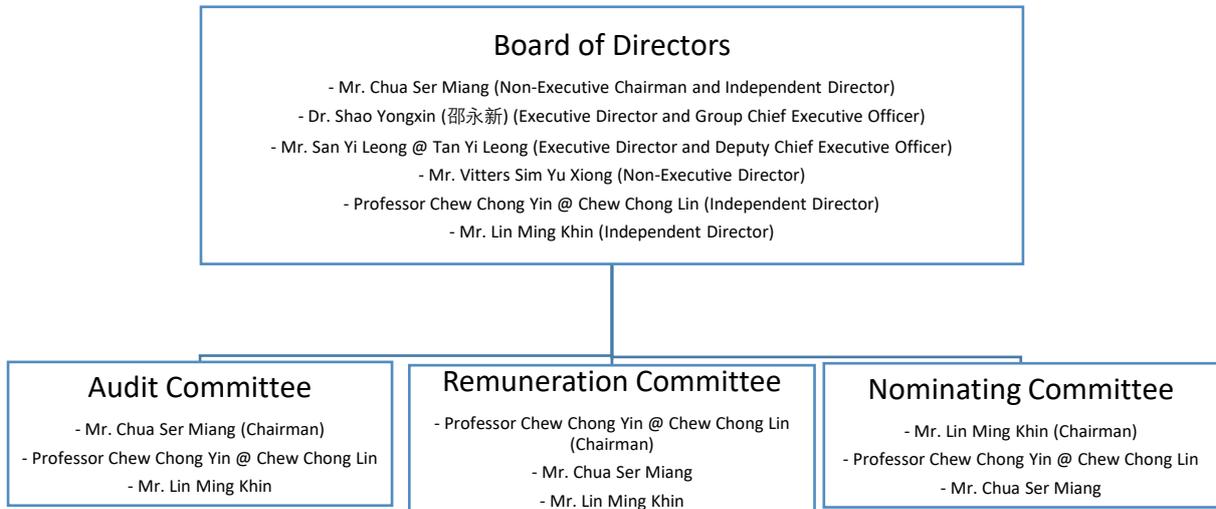
锦州医科大学党政办公室

2018年5月17日印发

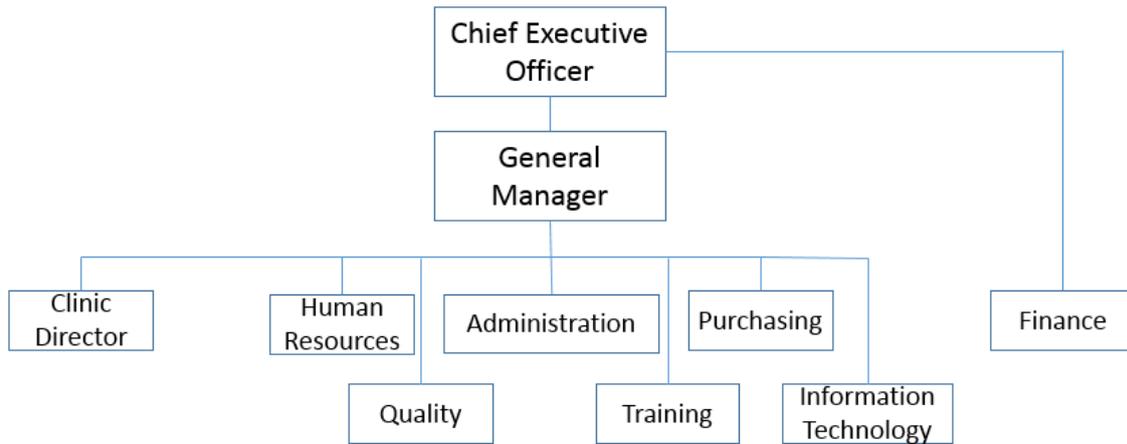
2018.5.17 锦州医科大学沈阳口腔医学院院长任命
Appointment of President of Shenyang Stomatological
College of Jinzhou Medical University on May 17, 2018

Governance and Sustainability Approach

Management and Governance Structure



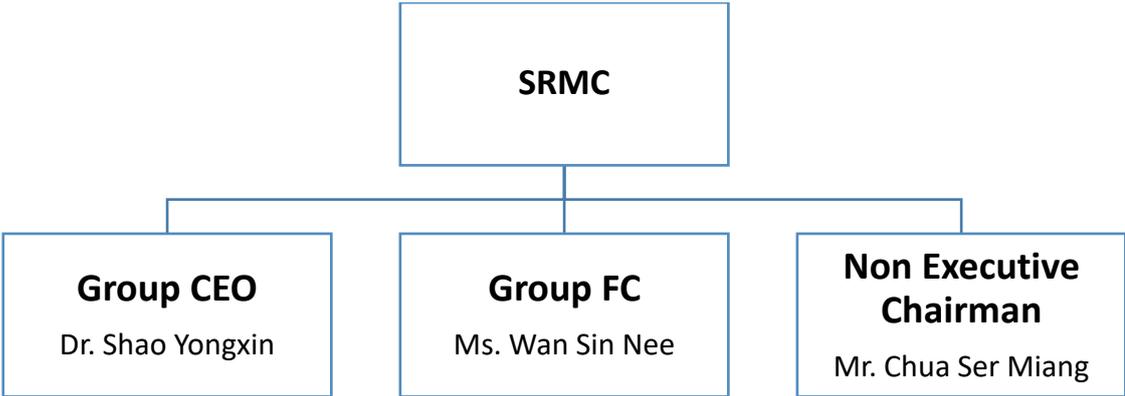
Organisation chart – Management



Governance and Sustainability Approach

Our governance of sustainability of the Group encompasses three service lines, i) provision of dental services; ii) distribution of dental equipment and supplies; and iii) laboratory services.

To enhance our corporate governance structure, we have established the Sustainability and Risk Management Committee (“SRMC”). In consultation with the Board of Directors, the SRMC oversee the development of the sustainability strategy, sustainability performance and monitoring, as well as the production of this sustainability report. The SRMC comprises of the following personnel as shown in the organisation chart below:



We have established a quality assurance team, consisting of experienced technicians and engineers, who routinely check the dental equipment and supplies received from our suppliers. We provide strong aftersales support to ensure customer satisfaction. These are our approaches towards risk management in daily operations.

We monitor and ensure compliance with all PRC laws and regulations in relation to quality standards, and we constantly seek feedback from our dental professionals, patients, customers and relevant stakeholders.

Governance and Sustainability Approach

Governance and Sustainability

The Group is committed to maintaining good corporate governance to enhance and safeguard the interest of its stakeholders, and has complied with the principles and guidelines of the Code of Corporate Governance 2012 where appropriate. Our Group endeavours to protect the interests of our stakeholders and have established policies and procedures to address any conflict of interests.



Conflict of Interest Policy

Our Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that such transactions are reviewed and approved by the key management, the Audit Committee and/or the Board, as the case may be, in accordance with prescribed procedures. When a potential conflict of interest arises, the Director(s) concerned will not participate in discussions and will abstain from voting on such transaction.

Whistleblowing

Our Group has in place a whistleblowing policy to highlight any possible improprieties in matters of financial reporting or other matters in order to maintain our high ethical standards of accountability and transparency for our stakeholders at all times. A whistleblowing channel which is accessible 24/7 has been set up for employees, shareholders, stakeholders and the public to raise concerns and feedbacks about any irregularities, impropriety, non-compliances or wrongdoings by management of staff in the course of their work.

Information received pertaining to whistleblowing will be treated with confidentiality and restricted to the designated persons-in-charge of the investigation to protect the identity and interests of the whistle-blowers.

Stakeholder Engagement

Accountability to Stakeholders

Maintaining close relationships with our key stakeholder groups is essential to assist us in addressing sustainability challenges. In our second sustainability report, we continue to have regular communication with our stakeholders and through the feedback obtained during our engagement activities, we have strengthened our reporting practices and approaches to align the needs of these stakeholders in our business decisions.

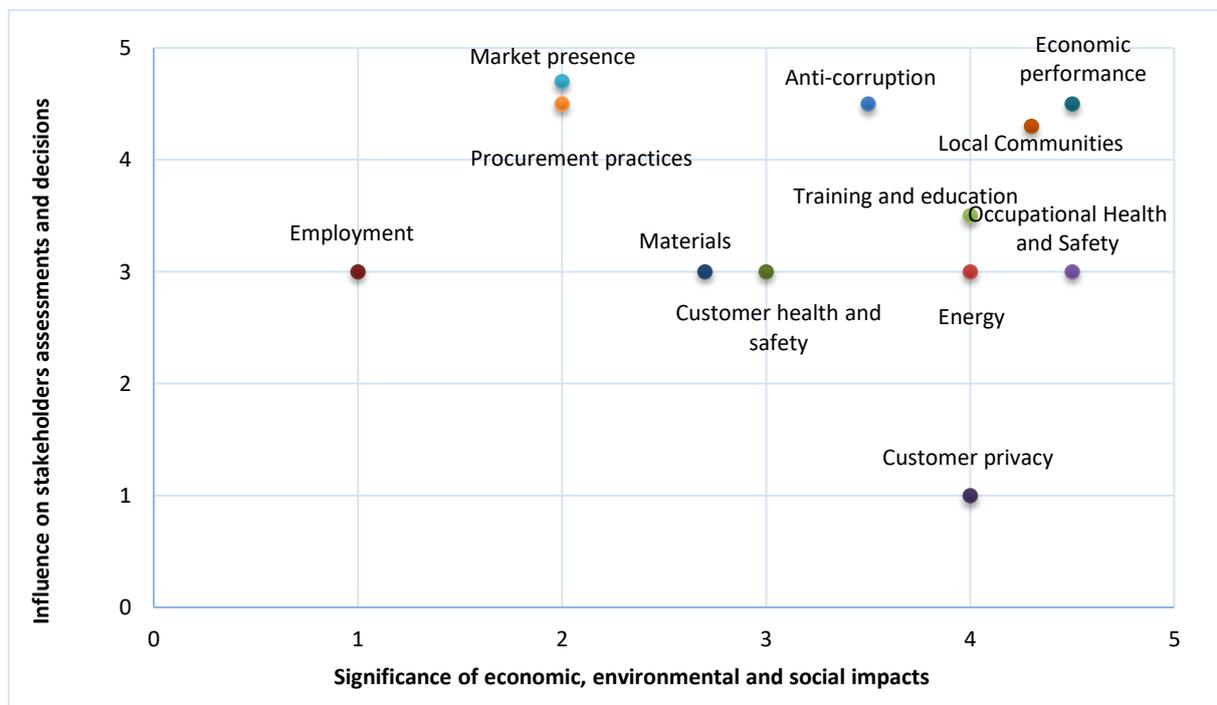
Stakeholders	Stakeholders Engagement	Stakeholders Expectations
Customers	Frontline interaction at clinics, enquiry and feedback channel, customer service hotlines	Good quality of services and products, after sales service, fair purchasing practices
Suppliers	Quotations, periodic discussions, supplier evaluation	Compliance with terms and conditions of purchasing policies and procedures, maintain ethical standards
Employees	Induction and orientation program, staff appraisal, internal memorandum, training	Staff rights and welfare, personal development, good working environment
Investors	Annual meetings, circulars to shareholders (if required)	Profitability, transparency, timely reporting
Business Partners	Frequent discussions and meetings	Partnership for opportunities and growth
Government and Regulators	Discussions with government agencies and regulators	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues

Material Topics

In light of stakeholders' feedback, new trends in sustainability, challenges facing the industry, experts' views and our own business goals, we have considered several topics that are material to our stakeholders. Therefore, we focus our sustainability efforts on these issues.

The following Materiality Matrix summarises our list of relevant sustainability topics and ranking results based on an assessment of economic, environmental and social impacts, as well as the degree of influence they have on our stakeholders' assessments and decisions. The topics have been prioritized and evaluated based on our engagement process with the respective stakeholder groups and these will be reviewed and updated annually.

We have identified an additional material topic for FY2018, **Local Communities**, in addition to the 5 material topics chosen for FY2017.



Sustainability Topics for FY2018

1. Economic performance
2. Anti-corruption
3. Energy
4. Training and education
5. Occupational health and safety
6. Local Communities

Economic Performance

At Aoxin Q & M, we strive to deliver sustainable long-term value for our stakeholders. We have seized the opportunity by entering the growing paediatric dentistry market and secured our market position as one of the leading dental service providers in the region by tapping on the extensive paediatric dentistry infrastructure network of Shenyang Aoxin Q&M Stomatology Hospital Co., Ltd. (“Shenyang Aoxin”).

Revenue from the primary healthcare segment increased by approximately 12% to RMB75.1 million in FY2018 (FY2017: RMB67.3 million). This was mainly due to higher paediatric dentistry and implantology revenue from the existing hospitals and clinics, the newly opened Panjin Hospital and Shenyang Shenhe Aoxin Stomatology Polyclinic in May 2018 and revenue from Zhuanghe City Aoxin Dawei Dental Co., Ltd. which was acquired in December 2017.

Revenue from the distribution of dental equipment and supplies segment increased by 6% to RMB32.3 million in FY2018 (FY2017: RMB30.6 million), due to higher sales generated from dental supplies as compared to the previous year.

Revenue from the laboratory services segment was contributed by Shenyang Qingamei Oral Restorative Technology Co., Ltd. which was acquired in October 2017. The growing demand for private dental healthcare, especially in the areas of paediatric dental care, has led to an increase in our Group’s revenue. Our presence was well-received by the local community and this has served as an encouragement to us. We believe that with our expansion to other provinces, our Group’s revenue will be sustainable in the long term.

Please refer to our 2018 Annual Report pages 7 to 9 for the financial review of our Group.

Subsequent reporting for FY2019

For FY2019, our Group hopes to maintain and ensure its financial stability.

Anti-Corruption

As noted from the Clifford Chance Financial Markets Toolkit, Anti Bribery and Corruption Review dated June 2017, the PRC government has stepped up its anti-bribery efforts to reduce improper payments and other benefits received by staff in connection with the purchase of pharmaceuticals and medical equipment and supplies, and the provision of healthcare services.

We are pleased to announce that Aoxin Q & M Dental Group Limited does not have any confirmed incidents of corruption in FY2018 and we intend to maintain this record, as stated in our Sustainability Report 2017. We strictly enforce our values and ensure that our stand on corruption is clear. We recognize the importance of upholding our values to obtain the trust and respect of our stakeholders.

We take a strong stance against corruption within our Group's employees, and will not hesitate to punish those found guilty.

The Company also has in place a whistle-blowing policy, which provides proper avenues for stakeholders to raise concerns about actual or suspected improprieties in matters of financial reporting or other matters and to receive feedback on any action taken.

Subsequent Reporting for FY2019

Our Group aims to maintain its zero record of corruption cases and will continue to cultivate an anti-corruption environment by inculcating a clean and transparent working culture within the organisation.

Energy

As part of our focus on sustainability, our Group seeks to source energy that generates the smallest impact on the community and the environment. Additionally, we also looking forward to explore renewable sources of energy in the future. We are not only committed to the procurement of new sources of energy but also to the use of cleaner and environmentally friendly sources of energy such as solar energy and also the use of energy-saving lamps.

Environmental protection was identified and continues to be one of the many priorities in China's Government Work Plan, with plans to increase afforestation and the reduction of major pollutions. To help address the issue, China's National Energy Administration has pushed for more wind turbines to be installed during the five-year (2016 to 2020) period. Over the next five years, water consumption, energy consumption and carbon dioxide emissions per unit of GDP should fall by 23%, 15% and 18% respectively. The number of days with good urban air quality is targeted to exceed 80% by 2020.

Year	2018	2017
Gross Floor Area (m ²)	14,169	8,853
Energy Consumption (kWh)	777,888	508,421
Water Consumption (m ³)	14,047	10,337
Natural Gas Consumption (kWh)	38,670	31,143
Energy Intensity per GFA (kWh/m ²)	54.90	57.43
Water Intensity per GFA (m ³ /m ²)	0.99	1.17
Natural Gas Intensity per GFA (kWh/m ²)	2.73	3.52

Our Group is committed to creating a green workplace for employees, such as increasing the use of energy saving lamps. Our Group has been using LED energy saving lamps since 2014, and today, all of the lamps in our Group have been replaced by energy saving lamps. The advantages of using these lamps are that they are energy saving, have a longer lifespan and are brighter than traditional lamps.

Additionally, we also practice switching on our centralised air-con only when it reaches a certain temperature during the summer seasons, and during the winter seasons we also ensure that the heater temperature is maintained at an acceptable temperature to reduce our electricity/gas consumption.

Energy

Subsequent Reporting for FY2019

Moving forward as an environmentally conscious company targeting to reduce our carbon footprint in China, we pledge to increase our sustainable efforts and communicate our goals to the employees of Aoxin Q & M. For FY2019, we target to reduce or maintain our current level of energy consumption.

Training and Education

Training and Education is instrumental in ensuring the continuous development of our employees to equip them with the relevant skill sets to provide quality service to our patients. At Aoxin Q & M, we ensure that all employees are provided with the necessary training to assist them in acquiring the right skills and knowledge needed to perform their jobs effectively. New employees will be required to undergo an orientation pre-job training and a mandatory probation period during which their skills and experience are assessed. Besides on-the-job training, our new hires are required to shadow another experienced employee to familiarise themselves with our Group's operations, and their specific job scopes.

Subsequent to the probation period, our employees who are retained are provided with regular and continuous training and development. Our training programs includes internal trainings, training by external experts and expatriation. Our stomatology centre in Shenyang provides students with exciting internship programs which allow them to be employed by our Group once their internship period is completed and all necessary educational requirements have been met.

The number of employees of our Group is as follows:

Total employees of our Group	Year	2018	2017
	Total	573	432

Employees distribution based on region and employment contract (permanent and temporary):

Year	2018					2017			
Entity	ShenYang	Huludao	Panjing	GaiZhou	ZhuangHe*	ShenYang	Huludao	Panjing	GaiZhou
Permanent	372	41	71	9	11	293	41	51	10
Temporary	54	8	4	1	2	25	8	2	2
Total	426	49	75	10	13	318	49	53	12

*ZhuangHe was incorporated during the end of 2017 and thus there were no training records for 2017

Employees distribution by gender and employment contract:

Year	2018		2017	
Category	Male	Female	Male	Female
Full-time	82	422	69	326
Part-time	26	43	11	26
Total	108	465	80	352

Training and Education

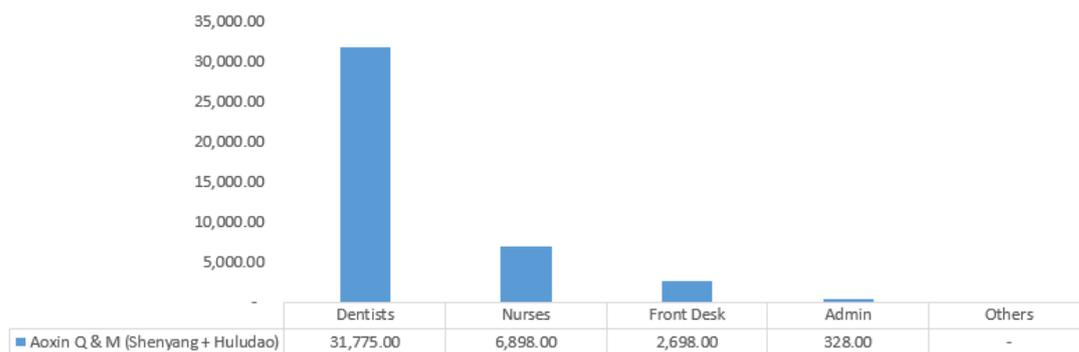
Training hours assigned on average to each gender:

Year	2018		2017	
Entity	Male	Female	Male	Female
Aoxin Q&M (ShenYang + Huludao)	17	97	4	18
Panjin Jingcheng	3	26	1	4
Panjin Jinsai	4	21	2	10
Gaizhou	1	12	1	3
ZhuangHe ⁽³⁾	4	21	-	-
Panjin Hospital ⁽²⁾	6	44	-	-
Shenyang Shenhe ⁽²⁾	19	33	-	-
Shenyang Maotai Quanmin ⁽¹⁾	17	22	-	-
Shenyang Qingamei ⁽¹⁾	16	32	-	-

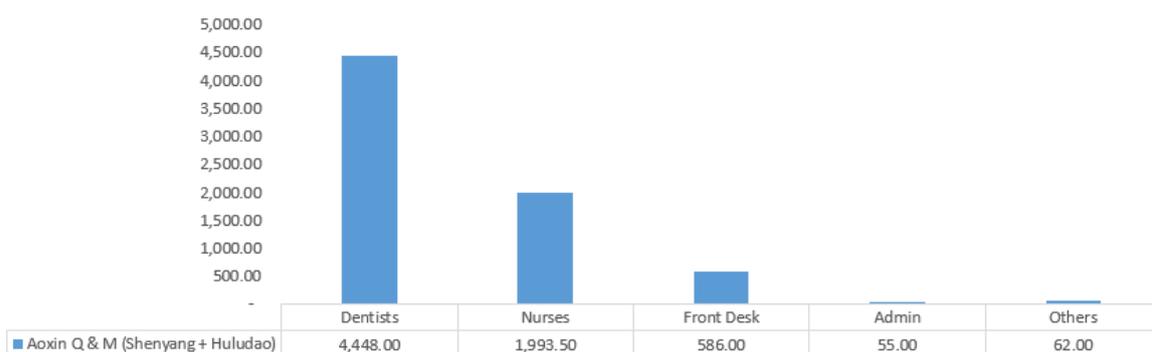
Notes:

- (1) No data was available for Shenyang Maotai Quanmin and Shenyang Qingamei clinics in FY2017 as it was not recorded.
- (2) Panjin Hospital and Shenyang Shenhe are new entities incorporated in FY2018, hence training is yet to be formalised.
- (3) ZhuangHe was incorporated around December 2017, and similar to Panjin Hospital, Shenyang Shenhe and Dalian Aoxin, training was yet to be conducted.

Aoxin Q & M (Shenyang + Huludao) for FY2018

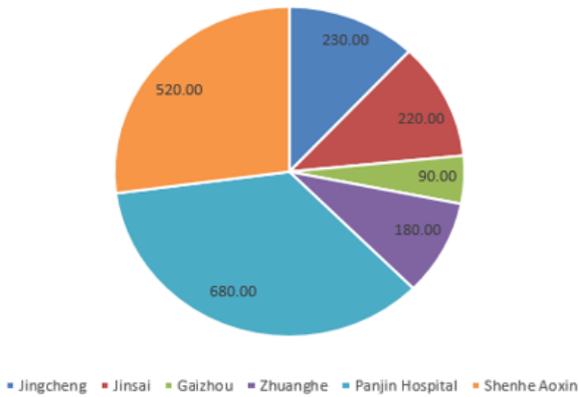


Aoxin Q & M (Shenyang + Huludao) for FY2017

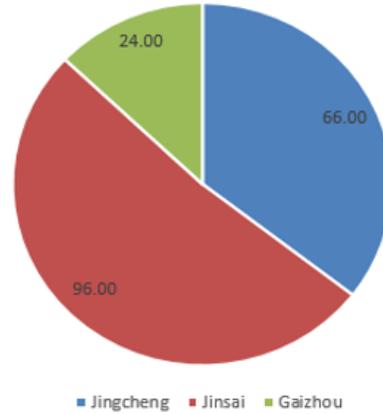


Training and Education

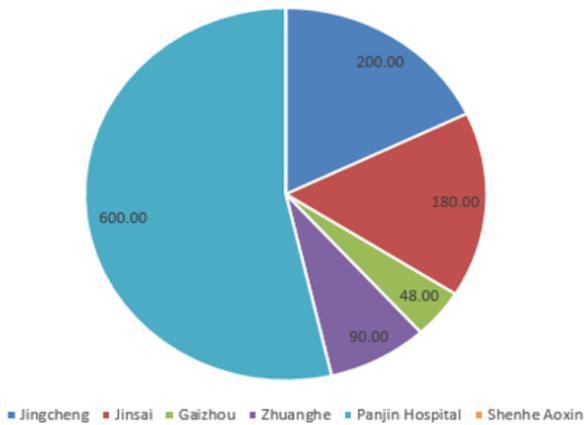
Total Training Hours for Dentist in FY2018



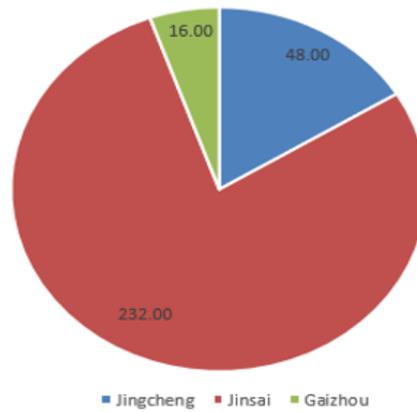
Total Training Hours for Dentist in FY2017



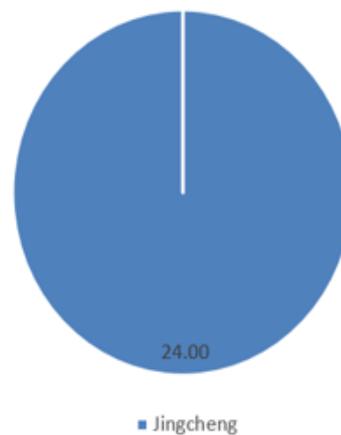
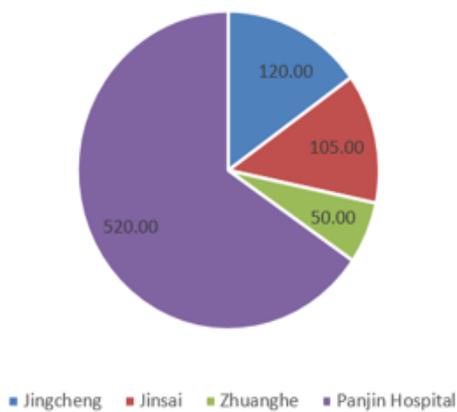
Total Training Hours For Nurses in FY2018



Total Training Hours For Nurses in FY2017

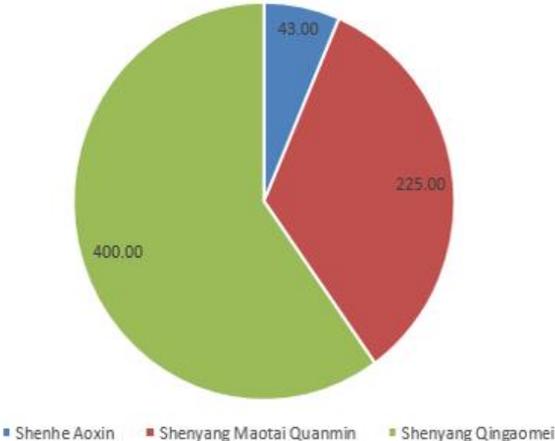


Total Training Hours for Front Desk Staff in FY2018 Total Training hours for Front Desk Staff in FY2017

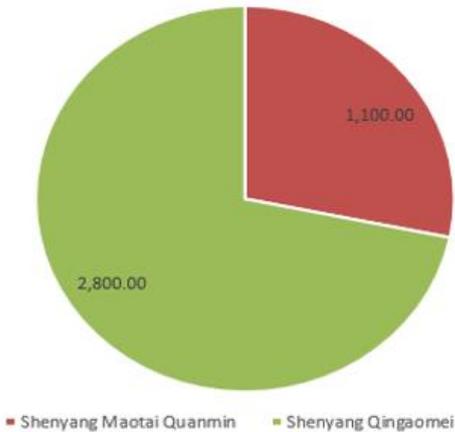


Training and Education

Total Training Hours for Administrative Staff in FY2018



Total Training Hours for Others Staff in FY2018



Training and Education

Dental Professionals

Our Group has implemented customised training models to nurture our staff and enhance our service quality. We pride ourselves in having the relevant resources and budgets to allow our staffs and employees to attend several training programs that are held throughout the year, in order to ensure the continued education in our dental professionals. To assist and facilitate our dentists in their continuous efforts in keeping abreast with the latest technology and evidence-based practice, we are always engaging them with workshops, seminars and conferences. We ensure that our dental centres are fully equipped with qualified dental professionals with the necessary exposure and experience in different departments.

Besides providing basic training and teaching classes, we also often encourage our dental professionals to share on academic platforms to exchange ideas. Additionally, our dental professionals also attend courses and postgraduate trainings which are held in specialised institutions such as China Medical University and Jinzhou Medical University. Our dental professionals also receive regular performance and career development review with their respective heads of department.

Subsequent Reporting for FY2019

As our employees are our greatest assets, we also believe that employees' wellbeing is essential for the Group's long-term efficiency and productivity.

We believe that our employees must be healthy and happily engaged at work for them to maximise their potential and productivity. In Aoxin Q & M, we respect and acknowledge the strengths and contribution of every employee. We will establish a review process to assess the training hours for each respective role in our organisation to ensure we have highly qualified staff at all levels.



Occupational Health and Safety

Our dentists and nurses take on the role of direct service providers and as such, their well-being is one of our primary concerns. In our line of work, dentists and nurses are exposed to several health hazards and it is our responsibility as employers to mitigate such risks.

Physical Well-being

Infectious hazards are the easiest to distinguish. Needles and other sharp objects, spatter, and aerosols can transmit viral infections that are life-threatening such as acquired immunodeficiency syndrome and hepatitis B. Bacterial infections are also a concern.

At Aoxin Q & M, we have implemented guidelines on clinic operational procedures to safeguard patients' safety and health. We provide every patient with a new set of dental consumables such as gloves, dental bib, mouth cup, needles and dental instruments. After each session, this set of dental consumables will be properly disposed and replaced with a new set, and the dental instruments used will be sterilised. Other examples of health hazards include exposure to X-ray radiation during trainings, and we have posters to remind our employees on the safety measures. We ensure an X-Ray signage is displayed on the X-Ray room door in all clinics. We are subject to inspection from government officials to ensure we adhere to the country's safety standards.



Mental Well-being

We also ensure that the mental well-being of our staff and employees are well taken care of. Dentists are given ample rest between treatments or surgery, to ensure that our patients receive the full attention and quality treatment that are rendered to them.

Occupational Health and Safety

Mental Well-being (Cont'd)

Every new dentist will be assigned to an experienced dentist to conduct on-the-job training. An experienced dentist is not only trained in dental technology, but also responsible for guiding young dentists in other areas, which includes, among others, the sitting posture of dentists and communication with patients. This helps to alleviate the stress and also provides the necessary mental support for our young dentists, so that they can provide the best service to our patients. We strive to reduce the stress levels of our dentists and not compromise on the service that we provide.

Privacy

Besides physical and mental well-being, we recognize privacy to be fundamental to human rights. The protection of patients' privacy is an industry consensus, and at Aoxin Q & M, we take a firm stance in safeguarding the confidentiality of personal information. Our clinics have adopted the use of the Clinic Assist (CA) IT systems, which ensures that adequate controls are in place to restrict access to such sensitive information. Examples includes computers being connected internally to our local intranet and that our dentists can only view the information of patients that they have attended to.

Subsequent Reporting for FY2019

We continue to ensure that there are minimum serious workplace injuries encountered by our staff and employees, and our goal for the following years will be to ensure that our employees maintain strict adherence to workplace safety and guidelines.

Local Communities

We are making an effort to integrate sustainability into our local communities. This is in line with our expansion plans, which allows us to add another fully functional clinic in Northern China and thus increasing our reach to our patients and raising dental health awareness.

We have increased our presence to the paediatric dental health market as well as the medical insurance market. We hold free clinics and treatment sessions on “Oral Care Day”, which fall on 20 September every year. We also sponsored the Liaoning Children Health Check-up initiative, while conducting about a hundred rounds of free dental hygiene education and dental check-up, offering dental hygiene assistance to special needs children. Complemented with our marketing and media campaigns through online platforms, we are able to raise dental health awareness and our reputation in the region. These initiatives are in line with our corporate concept of giving back to the community and have allowed us to integrate Aoxin Q & M’s values into our business decisions.



We have collaborated with leading academic institutions and have conducted visits to kindergartens, schools and communal space to organize educational talks on oral care. With the relationships forged, we are collaborating with Jinzhou Medical University, to provide, amongst others, instruction and training to students and dental professionals. Notably, pursuant to such collaboration, a few of our dental centres are designated as training centres.

Our stomatology training centre at Shenyang is equipped with a multimedia teaching hall, a multi-function simulation laboratory and a technical laboratory to ensure that aspiring dentists are equipped with the relevant technical skills before we allow them to practice on patients.



Local Communities

Dr. Shao, who is also the Dean of Jinzhou Medical University, Shenyang Department of Stomatology, actively participates in the learning and growth of the undergraduates through conducting lectures and reviewing their progress.

The stomatology training centre at Shenyang is also accredited by Jinzhou Medical University for undergraduate and post-graduate training. Students who graduate from this training centre with dental qualifications awarded by Jinzhou Medical University will be recognised by universities in China. Students will be awarded with the dental qualifications as shown below:



Enrolment remains highly competitive and it is extremely well-received as a degree of choice among undergraduates in the region.

Moving forward, we target to reach out to more people through free clinic, free dental hygiene education and dental check-up, offering dental hygiene assistance to special needs children.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> • Stakeholder Engagement • Sustainability Topics <ul style="list-style-type: none"> ○ Economic Performance ○ Anti-Corruption ○ Energy ○ Training and Education ○ Occupational Health and Safety ○ Local Communities
2	Policies, Practices and Performance	<ul style="list-style-type: none"> • Board Statement • Sustainability Topics <ul style="list-style-type: none"> ○ Economic Performance ○ Anti-Corruption ○ Energy ○ Training and Education ○ Occupational Health and Safety ○ Local Communities
3	Board Statement	Board Statement
4	Targets	<ul style="list-style-type: none"> • Sustainability Topics <ul style="list-style-type: none"> ○ Economic Performance ○ Anti-Corruption ○ Energy ○ Training and Education ○ Occupational Health and Safety ○ Local Communities
5	Framework	About This Report

Global Reporting Initiative (GRI) Content Index

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable (page)
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	Organisational Profile	
	102-1 Name of the organisation	3
	102-2 Activities, brands, products, and services	6
	102-3 Location of headquarters	6
	102-4 Location of operations	6 - 7
	102-5 Ownership and legal form	6
	102-6 Markets served	7 - 8
	102-7 Scale of the organisation	8, Annual Report
	102-8 Information on employees and other workers	7, 26 - 30
	102-9 Supply chain	11
	102-10 Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain
	102-11 Precautionary principle or approach	5
	102-12 External initiatives	33
	102-13 Membership of associations	Aoxin is a member of Shenyang City Chinese Stomatological Association(沈阳奥新全民口腔医院是沈阳市民营口腔医疗分会的会员单位)
	Strategy	
	102-14 Statement from senior decision maker	3
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	9 – 10
	Governance	
	102-18 Governance structure	17 – 18
	Stakeholder Engagement	
	102-40 List of stakeholder groups	20
	102-41 Collective bargaining agreements	Our employees are not covered by collective bargaining agreements
	102-42 Identifying and selecting stakeholders	20
	102-43 Approach to stakeholder engagement	20
	102-44 Key topics and concerns raised	21
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	Annual Report
	102-46 Defining report content and topic boundaries	5
	102-47 List of material topics	21
	102-48 Restatements of information	NIL
102-49 Changes in reporting	Not Applicable	
102-50 Reporting period	5	
102-51 Date of most recent report	27 September 2018	
102-52 Reporting cycle	5	
102-53 Contact point for questions regarding the report	5	
102-54 Claims of reporting in accordance with the GRI Standards	5	
102-55 GRI content index	36	
102-56 External assurance	None	

Global Reporting Initiative (GRI) Content Index

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable (page)
MATERIAL TOPICS		
Economic Performance		
GRI 201: Economic Performance 2016	103-1 Explanation of the material topic and its boundaries	22
	103-2 The management approach and its components	22
	103-3 Evaluation of the management approach	22
	201-1 Direct Economic value generated and distributed	22
	201-2 Financial implications and other risk and opportunities due to climate change	Please refer to Annual Report page 7 - 9
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	23
	103-2 The management approach and its components	23
	103-3 Evaluation of the management approach	23
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	23
	205-2 Communication and training about anti-corruption policies and procedures	23
	205-3 Confirmed incidents of corruption and actions taken	23
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	24
	103-2 The management approach and its components	24
	103-3 Evaluation of the management approach	24
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	24
	302-2 Energy consumption outside of the organisation	24
	302-3 Energy intensity	24
	302-4 Reduction of energy consumption	24
	302-5 Reductions in energy requirements of products and services	24
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	26
	103-2 The management approach and its components	26
	103-3 Evaluation of the management approach	26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	27
	404-2 Programs for upgrading employee skills and transition assistance programs	30
	404-3 Percentage of employees receiving regular performance and career development reviews	Nil
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	31 - 32
	103-2 The management approach and its components	31- 32
	103-3 Evaluation of the management approach	31 - 32
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management – worker health and safety committees	31 - 32
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	No recorded cases of work-related fatalities
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Nil
	403-4 Health and safety topics covered in formal agreements with trade unions	No agreements with trade union
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	33
	103-2 The management approach and its components	33
	103-3 Evaluation of the management approach	33
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	33
	413-2 Operations with significant actual and potential negative impacts on local communities	Not Applicable