

SUSTAINABILITY REPORT

FY2023



AOXIN Q&M

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BOARD STATEMENT

The Board of Directors (the “**Board**”) is glad to present the seventh annual Sustainability Report (the “**Report**”) for Aoxin Q & M Dental Group Limited (together with its subsidiaries, the “**Group**”). This Report will outline and discuss the sustainability performance and progress the Group has made over the past year.

The Board assumes overall responsibility for all sustainability matters ensuring the integration of sustainable practices into the Group's business strategy and operations. Additionally, the Board oversees the Group's corporate governance practices, identifies significant environmental, social, and governance (“**ESG**”) factors, and supervises the management and monitoring of these material ESG factors. The Board also works closely with management to drive effective sustainability management and practices.

The Group's FY2023 results showed an improvement in revenue across all segments, reflecting the rebound in consumer spending and economic activity in China following the lifting of restrictions and regulations relating to Covid-19 in early 2023. While the national centralised procurement policy for dental implants that was implemented in 2023 by the government has affected margins for implant services, it has also resulted in higher affordability for the patients and management is in the view that there is sufficient and adequate demand.

In FY2024, the Group will strive to build upon the momentum to achieve higher revenues, while continuing to improve the quality of dental care services during and post treatment, in order to further strengthen our branding in the market.

The Board had also recognised the significance of integrating and engaging with a new and crucial climate change framework - the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) recommendations. Hence, the Group is pleased to announce that we will be incorporating the TCFD recommendations on a phased approach, with this Report being the first year of inclusion. We will continually assess our Group's risks and opportunities relating to climate change, and actively seek ways to reduce emissions and play a role in the shift towards a more environmentally sustainable economy.

We extend our heartfelt gratitude to our employees, customers, suppliers, and stakeholders for their invaluable support throughout our sustainability journey. Through collaborative efforts, we aim to forge a future that is not only more sustainable but also resilient for everyone. Thank you for being an essential part of our commitment to a better and more sustainable future.

Sincerely,
Board of Directors

ABOUT THIS REPORT

Sustainability Reporting Framework

This Report was prepared with reference to the reporting principles and requirements of the Global Reporting Initiative ("GRI") Universal Standards 2021. The selection of the GRI Standards was based on their reputation as a globally recognised framework for reporting on an organisation's economic, environmental, and social impacts. Similarly, we have embarked on a phased approach of the TCFD recommendations, considering them the leading global standard for comparable climate-related disclosures as at this reporting period. In FY2023, the Group initiated a phased approach for the inclusion of TCFD disclosures. Details of the phased approach, including an implementation timeline, can be found in the "TCFD report" section of this Report.

This Report incorporates the necessary primary components of a sustainability report on a 'comply or explain' basis, pursuant to Rule 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

Report Scope

This Report covers the Group's ESG performance and commitments for the financial reporting period from 1 January 2023 to 31 December 2023 ("FY2023"). This Report's scope covers entities in which the Group holds a majority stake in or exercises full operational control over. This means that Acumen Diagnostics Pte Ltd ("Acumen"), an associate company of the Group, has been excluded from the scope of this Report.

Data Assurance

The Report has not undergone external assurance. Internal auditors within the Group had reviewed the Group's sustainability reporting policies, processes, and internal controls. Any recommendations resulting from this review had been considered to ensure the accuracy of the data and information presented in this Report. The Group intends to explore external assurance in future reporting periods.

Feedback Channel

A soft copy of this Report is available on the Singapore Exchange Network. The Group values hearing from all its stakeholders, and we welcome all feedback and enquires on this Report. To reach us, please contact us at http://www.aoxinqm.com.sg/contact-us_en.php.

ORGANISATIONAL PROFILE

Over the past two decades, the Group has expanded its presence and established itself as a prominent provider of private dental services and dental equipment and supplies in Northern People's Republic of China ("PRC"). As of 31 December 2023, the Group operates manages 16 dental centres, comprising 7 hospitals and 9 polyclinics, in eight (8) different cities within Liaoning Province. These cities include Shenyang, Huludao, Panjin, Gaizhou, Zhuanghe, Jinzhou, Dalian, and Anshan. Additionally, our distribution network for dental equipment and supplies extends across Liaoning, Heilongjiang, and Jilin Provinces in Northern PRC.

The Group has been listed on the Catalist Board of the SGX-ST since 26 April 2017.

Our Business Activities

The Group's key business activities are categorised under the following three segments:

1. Primary Healthcare

The Group primarily offers 9 types of dental services:

- I. Stomatology and General Dentistry
- II. Endodontics
- III. Orthodontics
- IV. Periodontics
- V. Prosthodontics
- VI. Dental Implantology
- VII. Oral and Maxillofacial Surgery
- VIII. Aesthetic Dentistry
- IX. Paedodontics

2. Distribution of Dental Equipment and Supplies

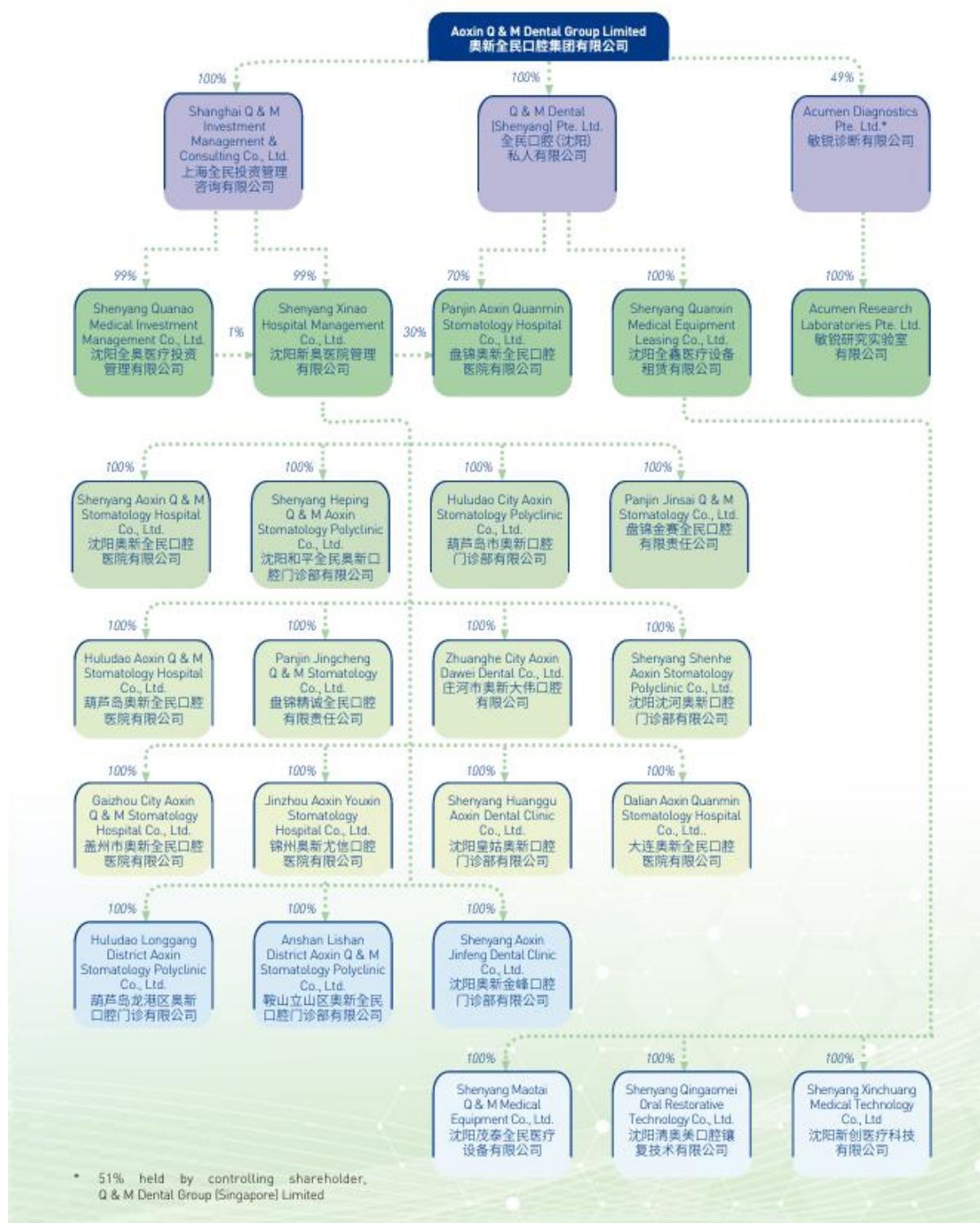
One of our subsidiaries, Shenyang Maotai Q & M Medical Equipment Co., Ltd. ("**Shenyang Maotai**"), specialises in the distribution and sale of a range of medical equipment and supplies to a diverse customer base. These products, which include dental chairs, instruments, and ultrasound scanners, are supplied to various entities such as dental hospitals, clinics, distributors, and laboratories. Our team of certified technicians is dedicated to providing maintenance and after-sales support for these products, ensuring comprehensive assistance for our valued customers.

3. Laboratory Services

The Group has two (2) subsidiaries, namely Shenyang Qingaomei Oral Restorative Technology Co., Ltd. ("**Shenyang Qingaomei**") and Shenyang Xinchuang Medical Technology Co., Ltd., which specialise in the production and processing of porcelain crowns, bridges, and dentures. They are also involved in advancing dental inlay technology and offering technical consultancy services.

ORGANISATIONAL PROFILE

Our Group Structure ¹



* 51% held by controlling shareholder, Q & M Dental Group (Singapore) Limited

¹ Acumen Diagnostics Pte Ltd. is excluded from the scope of this Report.

ORGANISATIONAL PROFILE

Our Code of Conduct

The Group adheres to the below mission, vision, and core values as guiding principles that shape and influence our actions and decisions.



To effectively deliver value to shareholders and consistently enhancing our products and services, we expect all employees to adhere to the following principles:

Principle	Elaboration
Attitude at Work 工作作风	To be dedicated, pragmatic, and innovative 敬业、求实、博采、创新
Service Philosophy 服务理念	To be people-centred and care for life 以人为本、关爱生命
Principle of Competition 竞争原则	To be law abiding, honest, sincere, and fair 守法不乱、诚信不欺、取利不诈、享财不霸
Professional Behaviour 职业风尚	Be eager to always lend a helping hand 急人之难、救人之困
Concept of Employment 用人观念	Loyalty over value, virtue over ability 忠诚高于价值、德行胜于能力

ORGANISATIONAL PROFILE

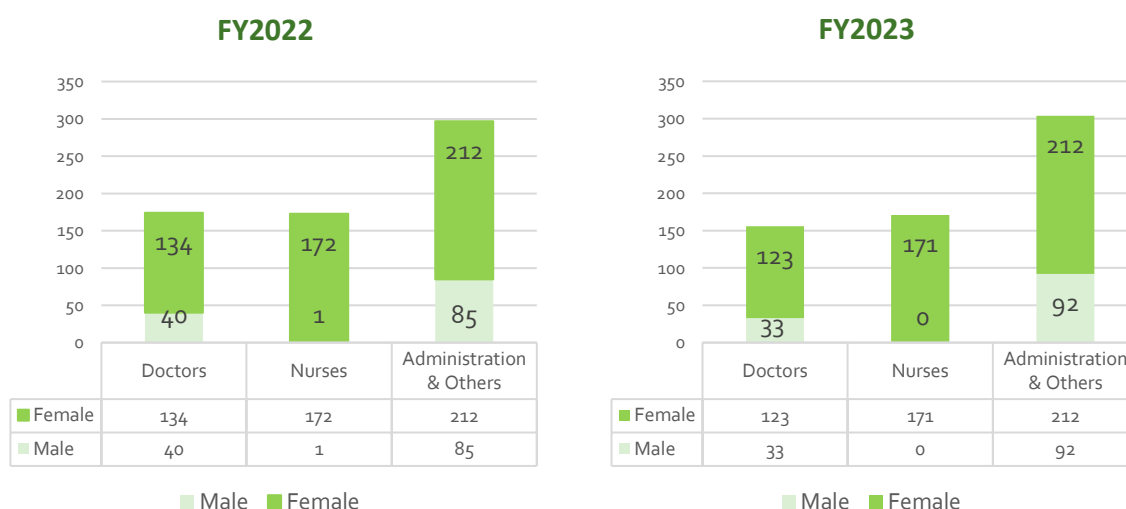
Our Employees

The Group recognises the pivotal role that an inclusive, diverse, and supportive workplace culture plays in the success of our company. To uphold this commitment, we have instituted comprehensive human capital strategies aimed at attracting new talent, enhancing employee loyalty, and fostering equal opportunities for training and development across all levels. Our workforce is especially important for the Group’s resilience during crises and for propelling the Group towards sustainable long-term growth.

As of 31 December 2023, the Group has a total of 631 employees, 408 of which are dental professionals. These dental professionals include 156 dentists, 171 dental surgery assistants, and 81 laboratory technicians.

More details on our employee profile in FY2022 and FY2023 are as follows:

Workforce by gender and employment category



Workforce by region and employment type

Region	FY2022			FY2023		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Anshan	9	0	9	9	0	9
Dalian	32	0	32	28	1	29
Gaizhou	10	2	12	9	0	9
Huludao	50	1	51	47	2	49
Jinzhou	31	0	31	32	0	32
Panjin	77	10	87	94	3	97
Shenyang	398	11	409	382	12	394
Singapore	3	0	3	3	0	3
Zhuanghe	10	0	10	9	0	9

ORGANISATIONAL PROFILE

Our Value Chain

The Group adheres to an established procurement policy to ensure we engage only with suppliers committed to environmentally and socially responsible practices. This policy facilitates a transparent supplier selection process through the usage of specific evaluation criteria, which includes cost-effectiveness and operational efficiency. Additionally, our experienced quality assurance team conducts routine checks on dental equipment and supplies from suppliers to verify compliance with stringent quality requirements. Before any purchases, we diligently verify supplier registration with local regulatory bodies. Overall, our procurement policy aims to advance the Group's objective of delivering safe and high-quality products and services to customers while minimising any negative ESG impacts created by the Group.

Shenyang Maotai is a wholly owned subsidiary whose core business involves the sale and distribution of dental equipment and supplies to a wide range of customers. These include dental hospitals, polyclinics, laboratories, and other distributors. Well-known as a key supplier within the dentistry supply chain in Northern PRC, Shenyang Maotai has maintained long-term distribution agreements with A-dec (Hangzhou) Dental Equipment Co. Ltd. (“爱德（杭州）牙科设备有限公司”) and Shofu Dental Trading (Shanghai) Co. Ltd. (“松风齿科器械贸易（上海）有限公司”).

Shenyang Maotai's Long-Term Suppliers	
Shofu Dental Trading (Shanghai) Co. Ltd. 松风齿科器械贸易（上海）有限公司	A-dec (Hangzhou) Dental Equipment Co. Ltd. 爱德（杭州）牙科设备有限公司
	

Our dental centres and laboratories primarily source required dental equipment and supplies from Shenyang Maotai. This enables us to leverage bulk volume discounts and improve cost efficiency.

Membership Of Associations

The Group also has significant presence within the Liaoning Stomatological Association. 20 of our dentists have been appointed to its 6th Board of Directors for a tenure of five (5) years, beginning July 2022.

In addition, five (5) of our dentists have been appointed as committee members as listed below. Each committee serving a three-year term which commenced in 2023. As at 31 December 2023, there are total of 19 dentists/staff appointed as committee members.

- 4th Private Polyclinics Dental Medical Professional Committee (2 dentists)
- 7th Orthodontics Professional Committee (1 dentist)
- 8th Dental and Endodontic Professional Committee (1 dentist)
- 1st Dental Services Professional Committee (1 dentist)

ORGANISATIONAL PROFILE

Awards And Accreditations

Primary Healthcare



The Group acknowledges the significance of strictly adhering to industry standards to establish a reputation for responsible and sustainable business practices. One of our subsidiaries, Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd, is accredited with the Quality Management System Certificate (GB/T 19001-2016/ISO 9001:2015) for the scope of "Medical Treatment Service of Oral." This certification is valid for three (3) years, expiring in June 2024. The ISO certification body also conducts annual ISO reviews for this subsidiary.

Most of our dental centres are under the Designated Medical Institutions of Medical Insurance. This allows us to improve the affordability and accessibility of our services for those who are in need.

Jinzhou Medical University: Training Centres

The Group has established a strategic partnership with Jinzhou Medical University to establish training centres providing lectures and dental practical training opportunities for undergraduates, post-graduates, and professionals. We take pride in being the exclusive dental healthcare group accredited by the university in Northern PRC. Below are details of the Group's five (5) dental centres. Further details will be elaborated under the material topic of Local Communities.

Training Centre	Accredited Date
Shenyang Aoxin Q & M Stomatology Hospital Co., Ltd.	3 April 2009
Panjin Aoxin Quanmin Stomatology Hospital Co., Ltd.	27 March 2019
Jinzhou Aoxin Youxin Dental Clinic Co., Ltd.	11 April 2019
Huludao Aoxin Q & M Stomatology Hospital Co., Ltd.	11 April 2019
Dalian Aoxin Quanmin Stomatology Hospital Co., Ltd.	15 April 2020

Professional Awards

We are proud to highlight the following outstanding contributions and achievements of our staff and subsidiary:

- Shenyang Aoxin Q&M Stomatology Hospital Co. Ltd, has awarded "Good Credibility and Model Organisation for FY2023" (2023 年诚信创建示范单位). This is 3rd year the Company honoured with this recognition by Shenyang government.
- In recognition of her exceptional efforts during the 112th International Nurses Day in Panjin City, Li Jiani of Panjin Jingcheng Q&M Stomatology Co. Ltd. received the prestigious "Anti-epidemic Angel" ("抗疫天使") award from the Panjin Municipal Health Commission and Panjin Municipal Federation of Trade Unions.

Their dedication and excellence serve as inspirations to the entire healthcare community.

SUSTAINABILITY APPROACH

Sustainability Governance Structure

The Group recognises that maintaining a high standard of corporate governance fosters accountability and transparency, both of which are crucial for safeguarding the interests of all stakeholders. The Board is responsible for the Group's sustainability reporting and assumes a pivotal role in guiding the formulation of sustainability strategies and exercises oversight in identifying and managing the Group's material topics. The Board is assisted by the Audit Committee, Nomination Committee, and Remuneration Committee in fulfilling its duties.

An internal Sustainability and Risk Management Committee ("**SRMC**") was established and is responsible for the implementation of the Group's sustainability strategies and practises set by the Board, monitoring the performance of material topics, and the production of the Group's annual Sustainability Report.

SRMC	Independent Chairman: Mr. Chua Ser Miang
	Group CEO: Dr. Shao Yongxin
	Group FC: Mr. Loo Keat Choon

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

The Board collaborates closely with SRMC to oversee the effectiveness of the Group's sustainability governance across different management levels. Together, they address any raised concerns regarding the Group's sustainability reporting. Overall, every individual within the Group plays a significant role in contributing to the accomplishment of the Group's sustainability objectives and initiatives.

SUSTAINABILITY APPROACH

Stakeholder Engagement

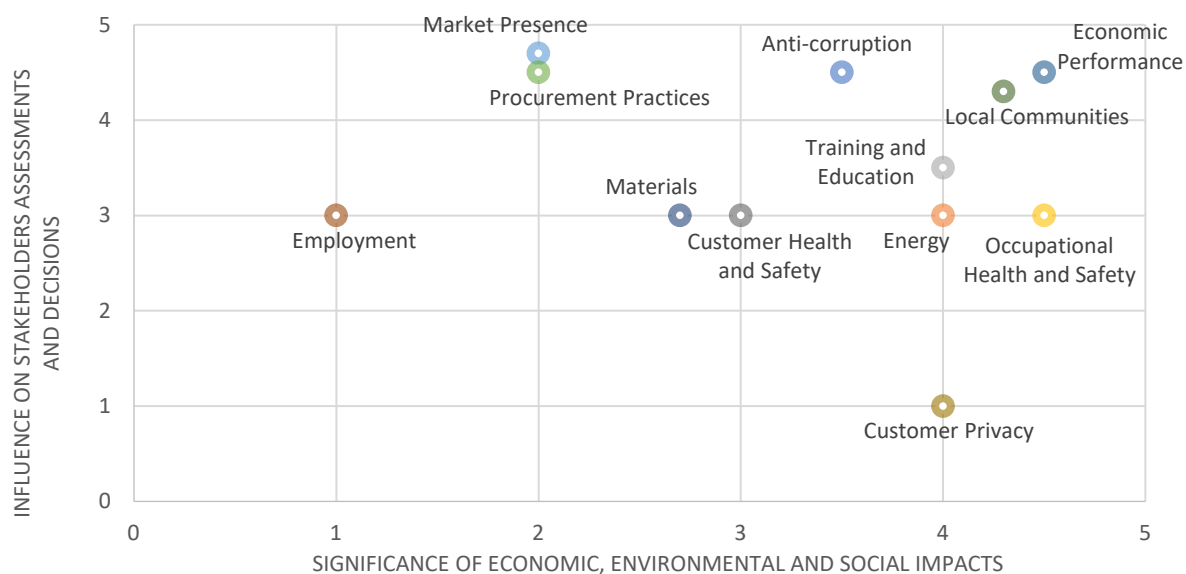
An effective stakeholder engagement requires the Group to build and maintain strong relationships with all our stakeholders. To accomplish this, we must continuously seek feedback from them to align their needs with our business goals. Additionally, we consistently communicate our sustainability initiatives to ensure transparency. We have identified six (6) stakeholder groups, which are listed in the table below, together with details of how we engage our stakeholders and what we have learned about their expectations.

Stakeholder Groups	Engagement Channels	Frequency	Stakeholders' Expectations
 Customer	<ul style="list-style-type: none"> • Frontline interaction at polyclinics • Enquiry and feedback channel • Customer service hotlines 	On-going	<ul style="list-style-type: none"> • Good quality of service and products • Seamless after-sales service experience
 Suppliers	<ul style="list-style-type: none"> • Quotations • Periodic discussions • Supplier evaluation 	On-going	<ul style="list-style-type: none"> • Fair procurement practices and high ethical standards • Compliance with contractual terms and conditions
 Employees	<ul style="list-style-type: none"> • Induction and orientation program • Employee appraisal • Internal memorandum • Training 	On-going	<ul style="list-style-type: none"> • Employee rights and welfare • Personal and professional development • Good working environment
 Shareholders/ Investors	<ul style="list-style-type: none"> • Annual general meeting • Annual Report • Circulars to shareholders 	Annually/ On-going	<ul style="list-style-type: none"> • Profitability • Transparency • Timely reporting and updates
 Business Partners	<ul style="list-style-type: none"> • Frequent discussions and meetings 	On-going	<ul style="list-style-type: none"> • Partnership for opportunities and growth
 Government/ Regulators	<ul style="list-style-type: none"> • Discussions with government agencies and regulators 	On-going	<ul style="list-style-type: none"> • Compliance with relevant regulations • Timely reporting and resolution of issues

SUSTAINABILITY APPROACH

Materiality Assessment

In FY2017, the Group conducted an initial materiality assessment and compiled a list of pertinent sustainability topics based on stakeholder feedback. We ranked these topics by assessing the Group's economic, environmental, and social impacts, along with their influence on stakeholder assessments and decisions. In the following years after, we have periodically reviewed the materiality of these topics, considering and incorporating recent business developments and emerging stakeholder priorities. For FY2023, the summarised results are presented in the following matrix.



ESG topics rated highly in the matrix above constitute the Group's sustainability focus areas. Therefore, we narrowed down and selected six (6) material topics for this Report, listed below. These topics significantly influence the Group's immediate and long-term actions as we advance in our sustainability journey.

The Group's material topics

1. Economic Performance
2. Anti-corruption
3. Energy
4. Training and Education
5. Occupational Health and Safety
6. Local Communities

In addition, we have also considered the following time horizons when setting our targets for the future:

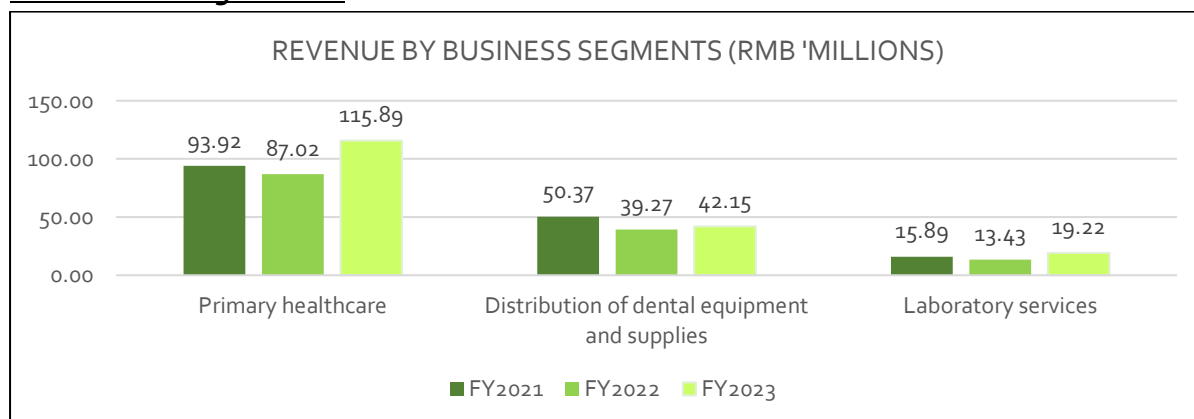
- Short-term: Within 1 – 3 years
- Medium-term: 4 – 10 years
- Long-term: More than 10 years

MATERIAL SUSTAINABILITY TOPICS

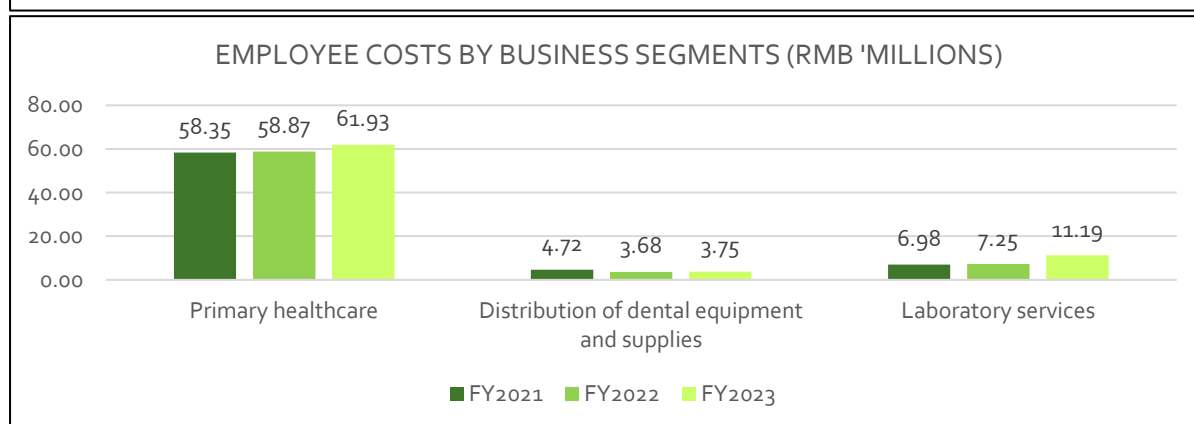
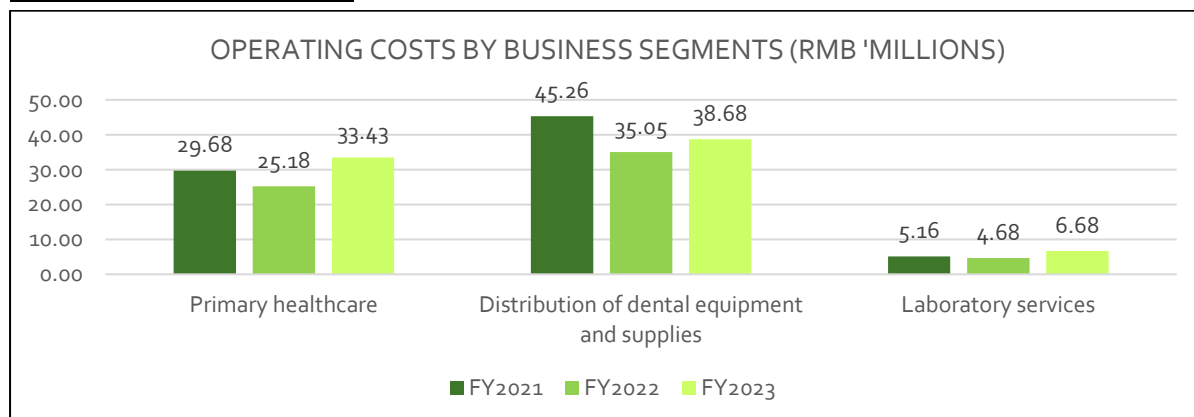
Economic Performance

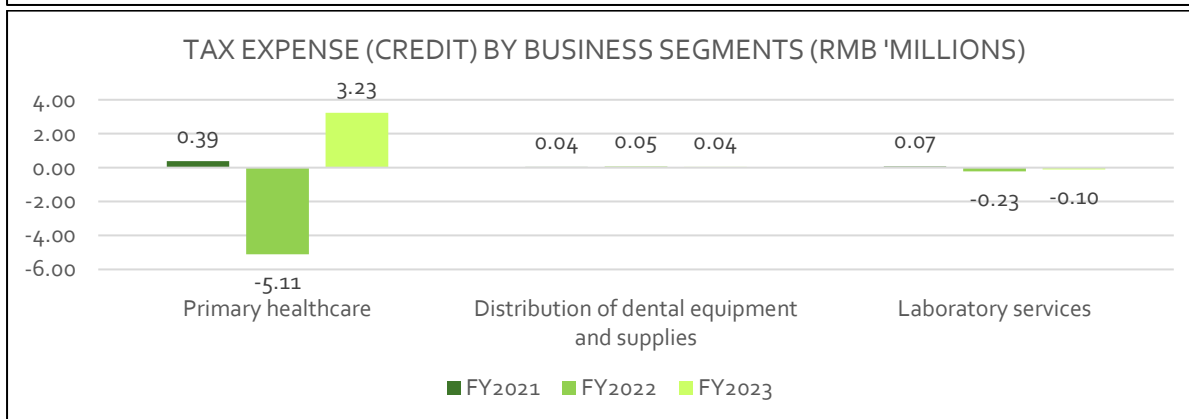
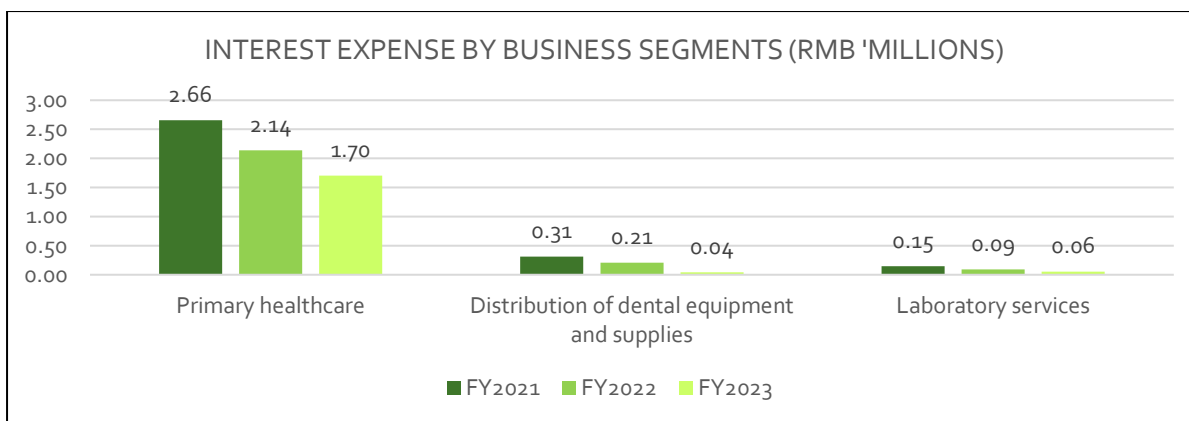
The Group's revenue increased by 26.9% from RMB 139.72 million in FY2022 to RMB 177.26 million in FY2023. The tables below illustrate the breakdown of our economic value generated, distributed and retained for the three (3) most recent reporting periods. Economic value retained is calculated as the difference between economic value generated and distributed.

Economic value generated

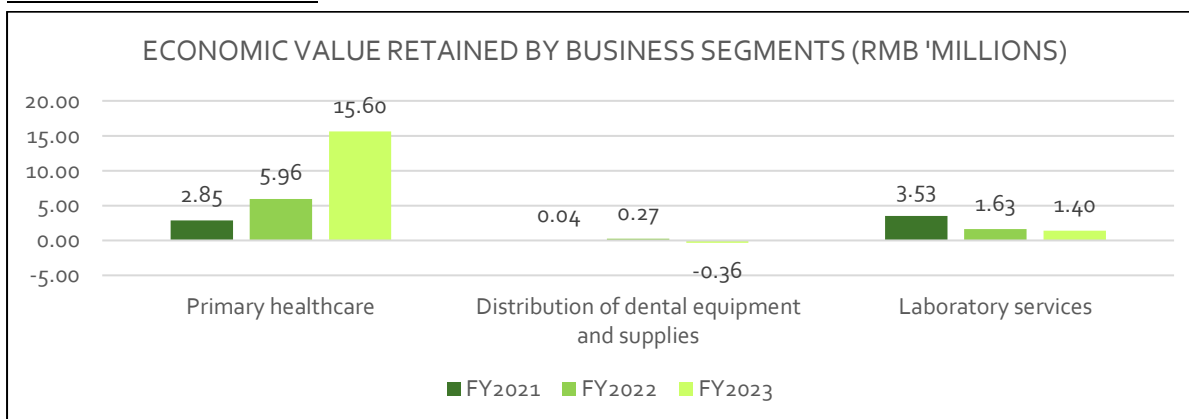


Economic value distributed





Economic value retained



All 16 of our dental hospitals and polyclinics resumed normal operations on January 8, 2023. For a detailed breakdown and analysis of the Group's economic performance, along with further insights into our business plans for FY2024, please refer to our FY2023 Annual Report.

Performance

With the recent shift in China's zero-Covid policy and the gradual reopening of the economy, the Group has improved the revenue of its dental hospitals and polyclinics and achieved better cost efficiency and utilisation of assets in FY2023.

Targets

Short-term	The Group aims to maintain growth in revenue.
Medium-term	The Group aims to achieve moderate growth through self-built projects and employ reputable doctors
Long-term	The Group aims to expand its market share through mergers and acquisitions.

MATERIAL SUSTAINABILITY TOPICS

Anti-Corruption

The Group maintains an unwavering stance against all forms of bribery, corruption, and unethical behaviour, underscoring the significance of cultivating a culture rooted in accountability and transparency. All medical staff including doctors and nurses attend annual professional ethics training to reinforce their understanding of code of conduct. In addition, new hires undergo an orientation program and understand the staff handbook that emphasises the Group's values and ethical principles, any violation may result in disciplinary action.

The PRC's National Supervision Commission is vested with the authority to combat corruption in the healthcare industry. This authority includes enabling them to conduct searches, seize properties, and freeze assets as necessary to investigate improper payments or benefits received by employees involved in medical procurement and healthcare services.

To ensure our corporate governance aligns closely with the principles outlined in the Code of Corporate Governance 2018, the Group implemented two (2) policies aimed at addressing and deterring corruption, detailed below. We recognise that upholding good corporate governance, along with high standards of ethics and integrity in our business, is crucial to mitigating bribery, corruption, and fraud risks. This approach not only better safeguards our shareholders' interests but also fosters sustainable growth.

Conflict of Interest ("COI") Policy

The Group's COI policy outlines the procedures for all directors and employees to identify, manage, and disclose incidents involving conflicts of interest. Any potential or actual conflicts of interest related to Group transactions must be promptly reported to the Board. Subsequently, the Board will take appropriate measures to address identified conflicts of interest, which may include instructing employees or board members to recuse themselves from decision-making processes when necessary.

Whistle-blowing Policy

The Group has an established whistleblowing system, creating a secure channel for all stakeholders to report any concerns related to the Group's financial reporting or management. In accordance with our policy, any report made in good faith is guaranteed confidentiality, and the Group is committed to protecting individuals involved from retaliation. The Group's Audit Committee will conduct independent investigations. For comprehensive details on the Group's Whistle-blowing Policy, please refer to Page 36 of our FY2023 Annual Report under the section "Whistle-blowing Policy" or visit our website (https://www.aoxinqm.com.sg/whistleBlowing_en.php) where the policy is also published.

Performance

In FY2023, we maintained our target and track record discussed in FY2022. We are pleased to announce that there were zero (0) whistleblowing reports and reported incidents of corruption or other improprieties in FY2023.




Targets

Short-term	We strive to maintain our track record of having zero (0) reported cases of business malpractices.
Medium-term	
Long-term	

MATERIAL SUSTAINABILITY TOPICS

Energy

As a significant player in our industry, the Group is dedicated to minimising our environmental footprint. Employees are encouraged to actively participate in quarterly talks and training sessions, where we strive to create a collaborative environment for sharing and discussing practical tips on adopting environmentally friendly practices in the workplace. The Group has also implemented the following measures aimed at conserving our energy resources.

Environmental Protection Measures	
 Electricity	<ul style="list-style-type: none"> • Use of energy-efficient LED lamps • Controlled usage of centralised air conditioners and heater • Posters encouraging employees to save electricity by turning off the lights in uninhabited areas during the day • Reminders for employees to switch off the standby power supply of office equipment (e.g., computers, printers) when idle or after work, and to use the stairs as much as possible in their commute
 Water	<ul style="list-style-type: none"> • Avoid using running water when cleaning mops and rags • Reminders for employees to “save water”
 Others	<ul style="list-style-type: none"> • Recycle waste batteries to avoid the harmful effects of environmental pollution • Engage in digitalisation efforts to go paper-less

Performance

The table below summarises the Group’s consumption of energy, water, and natural gas over the past three (3) financial reporting periods.

Year	FY2021	FY2022	FY2023
Energy Consumption (kWh)	1,108,203	1,146,104	1,473,323
Water Consumption (tonnes)	16,177	14,552	14,844
Natural Gas Consumption (m ³)	38,588	41,458	32,767
Gross Floor Area (m ²)	18,720	17,425	18,307
Ratios			
Energy Intensity Ratio (kWh/m ²)	59.20	65.77	80.48
Water Intensity Ratio (tonnes/m ²)	0.86	0.84	0.81
Natural Gas Intensity Ratio (m ³ / m ²)	2.06	2.38	1.79

The Group experienced an increase in our energy intensity ratio by 14.71 kWh/m² compared to FY2022. This is attributed to the increased operational activities stemming from the Group’s recovery efforts following the COVID-19 pandemic. However, we have managed to reduce our water and natural gas intensity ratios, achieving the lowest levels observed in the past three years. As disclosed in our previous sustainability report, the Group’s energy data collected in FY2023 will be used for calculating our greenhouse gas (“GHG”) emissions. This will be further discussed under the TCFD section of this Report.

Targets

Short-term	<p>The Group aims to reduce energy consumption by 2% yearly through:</p> <ul style="list-style-type: none">• Investing in environmentally friendly equipment updates, such as using more eco-friendly cutting and 3D printing devices to replace traditional high-energy-consuming casting equipment• Replacing lights with automated energy-saving lights• Increasing the setting temperature of air conditioners in summer• Raising awareness among all employees about the importance of environmental protection through ongoing education
Medium-term and long term	<p>The medium-term to long-term goal is to fulfil corporate social responsibilities through:</p> <ul style="list-style-type: none">• Striving for a year-on-year reduction in energy consumption• Increasing investment in environmental protection equipment• Aligning with national environmental protection policies on the achievement of carbon neutral goal

MATERIAL SUSTAINABILITY TOPICS

Training and Education

The Group recognises that investing in our employees' personal and professional development is very important for the Group to reach its objectives. Hence, providing educational and training opportunities for our staff to further enhance their skills and acquire new knowledge is imperative. This commitment ensures that the Group can consistently provide high standards of service to its customers.

Orientation Pre-Job Training

The Group has developed a pre-job training program for new hires aimed at imparting foundational knowledge and essential skills necessary for their success in their respective roles. The program incorporates shadowing experienced employees to familiarise themselves with operations and specific job scopes. Additionally, all new employees undergo a mandatory probation period, which includes an assessment further explained below.

Assessment Criteria for Staff on Probation	
Work attitude	<ul style="list-style-type: none">• To abide by our code of conduct, i.e., to report for work on time and to maintain good workplace hygiene;• High recognition of corporate culture;• Good learning ability;• Be honest and trustworthy;• Teamwork and cooperation skills;• Have a strong sense of responsibility for their job scope and performance targets; and• Strong execution ability.
Work Skills	<ul style="list-style-type: none">• To master the professional skills required for their job scope;• Strong professional theoretical knowledge and operation skills, and high work efficiency;• Excellent theoretical and practical understanding of stomatology (for medical care and front desk)

Continual Training Opportunities for Existing Staff

Our dentists and nurses are required by the Shenyang Health Commission (“沈阳市卫健委”) to meet mandatory professional development credit requirements and participate in a certain number of courses organised by the Shenyang Medical Association (“沈阳市医学会”) each year. As of 31 December 2023, all dentists and nurses have met the credit requirements for their respective professional and technical titles. Within the Group, we provide continuous career development opportunities for our dentists, nurses, front desk, and administrative staff throughout the year. In FY2023, our internal training covered topics such as "Adapting to Orthodontic Trends" and "Customising Digital Removable Partial Dentures." Additionally, some of our dentists participated in external training to learn orthodontic techniques such as Invisalign.

Internship Programme for Students

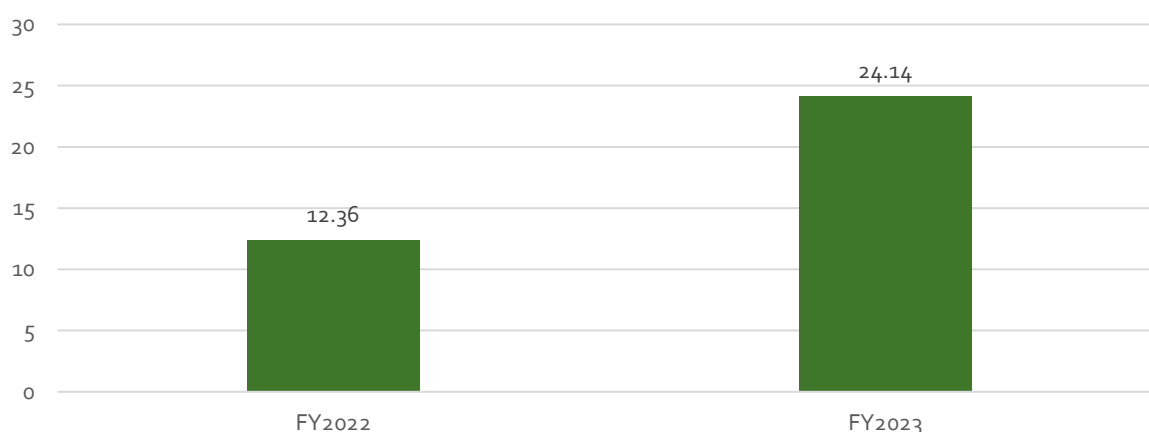
Our Shenyang Stomatology Training Centre provides aspiring dental students with valuable internship experiences to support their professional growth. This program encompasses comprehensive training in public speaking, interpersonal communication, and theoretical and practical aspects of stomatology. In FY2023, we were pleased to welcome 26 students for this program. (FY2022: 30 students).

Performance

Category	Total training hours		Total employees	
	FY2022	FY2023	FY2022	FY2023
By Gender				
Female	Note ²		518	506
Male			126	125
Total			644	631
By Employee Category				
Dentists	6,382.50	6,253.06	174	156
Nurses	808.75	3,267.49	173	171
Administration & Others	766.00	5,713.37	297	304
Total	7,957.25	15,233.92	644	631

The average training hours by all employees in FY2022 and FY2023 are shown below. There has been an increase in the average training hours by 11.78 hours from FY2022 to FY2023. We have also exceeded our target of maintaining 12.36 training hours per employee set in FY2022.

Average Training Hours



During FY2023, there was a notable relaxation of COVID-19 restrictions in China compared to FY2022. As anticipated and outlined in our 2022 Sustainability Report, this easing of restrictions facilitated an increase in the number of in-person training sessions conducted by the Group.

Targets

Short-term	We aim to achieve at least average 25 hours of training hours per employee per year.
Medium-term and Long term	We aim to increase the average training hours per employee where feasible, through internal trainings conducted by our in-house trainers. We plan to establish a training system that aligns with the Group's characteristics and possesses specialised expertise, with education and training programs covering all employees. The training system to cover all employees and to increase the training hour via internal training from our own trainer.

² The data for training hours by gender was unavailable for disclosure. The Group will compile this data from FY2024 onwards and will include the relevant statistics in subsequent sustainability report.

MATERIAL SUSTAINABILITY TOPICS

Occupational Health and Safety

Ensuring the well-being of our Group's employees is imperative for the success of our business. Therefore, the Group actively endeavours to mitigate the daily health and safety risks faced by our employees. One notable example is addressing the risk of infection transmission through needles, sharp objects, spatters, and aerosols.

All employees are required to strictly adhere to prescribed safety protocols and precautions. Posters in our polyclinics serve as constant reminders of these measures. Additionally, to minimise the risks associated with X-ray radiation exposure, clear hazard signage is prominently displayed on the door of the X-ray room.

Upholding high standards of hygiene is paramount for the well-being of both our employees and patients. For each new session, we ensure that patients are provided with a fresh set of dental consumables, including gloves, dental bibs, mouth-rinsing cups, and needles, to maintain stringent hygiene standards. After each treatment session, used consumables are properly disposed of, and dental instruments undergo thorough sterilisation. Our maintenance personnel are actively involved in conducting timely upkeep and repairs on our dental equipment.

The Group is subjected to stringent regulations and mandates from the National Health Commission of the PRC (“中华人民共和国国家卫生健康委员会”). Specifically, the Group needs to obtain or renew essential health certificates from the National Medical Products Administration (“国家药品监督管理局”), which assures the public that we are duly recognised for our safe and appropriate handling of drugs and disposal of medical waste. Additionally, the National Health Commission provides guidance on the proper usage of protective medical gear, and the Government Health Administrative Department (“政府卫生行政管理部门”) conducts random inspections to ensure compliance. To stay informed about crucial health and safety regulations, all employees participate in annual training conducted by the Ministry's Infection Control Department (“感染控制部门”).

Employee Welfare and Insurance Coverage

All employees within the Group are legally mandated to be covered by compulsory pension (endowment insurance), medical, unemployment, maternity, and work injury insurance schemes. Additionally, part-time temporary employees receive accidental industrial injury insurance, and all dentists are covered by liability insurance. Recognising the importance of mental well-being, the Group has implemented a policy to ensure that dentists have sufficient rest between treatments or surgeries to protect their well-being and enhance their effectiveness.

Health and Safety Committee and medical safety teams

Each hospital has a dedicated medical safety team responsible for monitoring and ensuring that the respective hospitals' dentists, nurses, and administrative staff comply with the Group's medical safety policies and procedures. Any incidents within the hospital must be promptly reported to the medical safety team for thorough investigation. On a Group level, we have a formal Health and Safety Committee consisting of a Director, Deputy Director, and seven (7) members. Their roles and responsibilities are as follows:

Designation	Roles and Responsibilities
Director	<ul style="list-style-type: none"> • Overall-in-charge for infection prevention and control
Deputy Director	<ul style="list-style-type: none"> • Assist Director in monitoring and managing infection control measures
Member	<ul style="list-style-type: none"> • Ensure that hospitals and polyclinics are regularly disinfected, and that dental equipment used are all sterilised before disposal • Ensure that waste materials are sterilised and disposed in a proper manner

Performance

In FY2023, we maintained our targets and track record disclosed in our 2022 sustainability report. There were zero (0) reported cases of non-compliance with the guidance issued by the Government Health Administrative nor any penalties imposed on the Group by the relevant regulatory authorities. We are also pleased to share that there were zero (0) cases of workplace injury or fatalities across the Group.

Targets

Short-term	We target to maintain zero serious workplace injuries.
Medium-term	
Long-term	

MATERIAL SUSTAINABILITY TOPICS

Local Communities

In addition to our core business activities, the Group is dedicated to making meaningful contributions to diverse local communities by providing accessible, high-quality dental care and education. Furthermore, our hospitals and clinics actively participate in continuous outreach programs throughout the year to enhance dental health awareness in our communities.

Jinzhou Medical University: Training Centres

As previously discussed in this Report, the Group has forged a strategic partnership with Jinzhou Medical University to establish training centres offering lectures and practical dental training opportunities for undergraduates, post-graduates, and professionals. Notably, our Shenyang Stomatology Training Centre stands as our longest-operating facility, boasting comprehensive amenities such as a multimedia hall, simulation laboratory, and technical lab.

Our Board member, Dr. Shao Yongxin, currently serves as the Dean of Jinzhou Medical University's Shenyang Department of Stomatology. He plays an active and crucial role in our training centres by giving lectures and reviewing the progress of the undergraduates. In FY2023, his term as Dean has been renewed by another five (5) years.

Free Dental Check-ups

"Oral Care Day" occurs on 20 September annually. On this day, our clinics offer complimentary dental treatment sessions to our local communities, especially in Shenyang, Panjin and Dalian. In FY2023, we delivered essential dental healthcare services, encompassing general cleaning, scaling, polishing, and decay treatment. This initiative benefitted over 1,700 people including 760 kindergarten children.

Over the years, the Group has provided complimentary dental check-ups to over 30,000 individuals. Moving forward, the Group is eager to utilise and leverage online platforms in China to expand our community outreach and enhance our reputation within the regions where we operate. For additional details on our corporate social responsibility efforts, please refer to our FY2023 Annual Report.

Performance

In FY2023, the Group successfully achieved its predetermined goal of expanding specialised paediatric dental services for children with disabilities.

Targets

Short-term	Our short-term goals are to leverage the Group's brand strength and influence to further expand connections with the community. By utilising corporate expertise, we aim to provide essential oral health education and check-ups for community residents, enhancing awareness of oral health protection among residents.
Medium to Long-term	The medium to long-term goal is to establish and utilise high-quality communication platforms, actively participate in social welfare activities, and provide society with quality and comprehensive oral health care services.

TCFD REPORT

Governance

The Board takes on the responsibility for overseeing and supervising all climate-related matters within the Group. The SRMC is responsible for identifying, assessing, and managing climate-related risks and opportunities. In FY2023, we established the necessary climate governance and initiated the assessment of the Group's climate-related risks and opportunities. The Group's gradual progression towards the complete incorporation of TCFD recommendations is outlined in the implementation timeline provided below.

TCFD Pillar	Year 1 (FY2023)	Year 2 (FY2024)	Year 3 (FY2025)
Governance	Described the governance structures, including Board oversight and the management's role.		
Strategy		Identify the climate-related risks and opportunities. Disclose our impacts in qualitative terms. Conduct qualitative scenario analysis.	Detailed scenario analysis with more quantitative outcomes. Disclose impacts in more quantitative terms.
Risk Management		Describe the processes for identifying and managing climate-related risks. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets	Disclosed Scope 1 and Scope 2 GHG emissions. Included metrics used for assessment.	Set targets in qualitative terms.	Include targets in quantitative terms. Will disclose Scope 3 when mandatory in financial year ending 31 December 2026 .

Metrics and Targets

Scope 1 and 2 carbon emissions

Given the increasing global emphasis on addressing climate change, there is a growing demand from both countries and consumers for corporations to quantify and mitigate their GHG emissions. Our local government has also made parallel commitments to mitigate the impacts of carbon emissions. In alignment with the promotion of sustainable development, there are national plans to increasingly rely on renewable energy sources. Consequently, we recognise the imperative need to assess our carbon footprint and implement measures to manage it.

The Group has selected FY2023 as the baseline year for us to monitor and assess improvements to our GHG emissions performance moving forward. To compute our GHG emissions, we utilised the GHG Protocol Corporate Standard, established by the World Resources Institute and the World Business Council for Sustainable Development.

We have adopted the operational control method for our consolidation approach. Scope 1 emissions are attributable to natural gas required for our operations and gasoline usage of the Group's vehicles. Our Scope 2 emissions are attributable to purchase of electricity from the national energy grid. The following tables illustrates the total GHG emissions produced by the Group for FY2023.

GHG Emissions (Scope 1) produced in FY2023	
Non-Renewable Fuel Consumption	Amount of GHG Emissions in tonnes of CO ₂ equivalent (tCO ₂ e)
Natural Gas	6.62
Gasoline for the Group's vehicles	25.14
Total	31.76

GHG Emissions (Scope 2) produced in FY2023	
Total Electricity Consumption (kWh)	Amount of GHG Emissions in tonnes of CO ₂ equivalent (tCO ₂ e)
Purchased electricity from national grid ³	807.09
Total	807.09

GHG Emissions intensity	
Metric used for intensity ratio calculations	Amount
Total Scope 1 and 2 GHG Emissions (tCO ₂ e)	838.85
Gross Floor Area (m ²)	18,307
GHG Emissions intensity ratio (tCO₂e/ m²)	0.04

³ Emission factor applied is obtained from the China Ministry of Ecology and Environment's published 2022 grid emission factor (<https://climatecooperation.cn/climate/mee-released-notice-on-the-management-of-ghg-emissions-reporting-for-power-generation-sector-from-2023-to-2025/>)

SGX PRIMARY COMPONENTS INDEX

S/N	Primary Component	Section Reference
1	Material ESG factors	Sustainability Approach
2	Climate-related disclosures, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures	TCFD Report
3	Policies, practices and performance	Material Sustainability Topics <ul style="list-style-type: none"> • Economic Performance • Anti-Corruption • Energy • Training and Education • Occupational Health and Safety • Local Communities
4	Targets	Material Sustainability Topics <ul style="list-style-type: none"> • Economic Performance • Anti-Corruption • Energy • Training and Education • Occupational Health and Safety • Local Communities
5	Sustainability reporting framework	About This Report
6	Board statement and associated governance structure for sustainability practices	Board Statement Sustainability Approach

GRI CONTENT INDEX

Statement of Use	Aoxin Q & M Dental Group Limited has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE TITLE	PAGE REFERENCE
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	5 – 6
	2-2 Entities included in the organisation’s sustainability reporting	4
	2-3 Reporting period, frequency and contact point	4
	2-4 Restatements of information	NIL
	2-5 External assurance	4
	2-6 Activities, value chain and other business relationships	5, 9
	2-7 Employees	8
	2-8 Workers who are not employees	NIL
	2-9 Governance structure and composition	AR: 22 – 23
	2-10 Nomination and selection of the highest governance body	AR: 26 – 27
	2-11 Chair of the highest governance body	AR: 18
	2-12 Role of the highest governance body in overseeing the management of impacts	11
	2-13 Delegation of responsibility for managing impacts	11
	2-14 Role of the highest governance body in sustainability reporting	11
	2-15 Conflicts of interest	16
	2-16 Communication of critical concerns	15
	2-17 Collective knowledge of the highest governance body	11
	2-18 Evaluation of the performance of the highest governance body	AR: 27
	2-19 Remuneration policies	AR: 28 – 29
	2-20 Process to determine remuneration	AR: 28 – 29
	2-21 Annual total compensation ratio	AR: 29 – 30
	2-22 Statement on sustainable development strategy	4
	2-23 Policy commitments	7
	2-24 Embedding policy commitments	14 – 21
	2-25 Processes to remediate negative impacts	14 – 21
	2-26 Mechanisms for seeking advice and raising concerns	16
	2-27 Compliance with laws and regulations	21
	2-28 Membership associations	9 – 10
	2-29 Approach to stakeholder engagement	12
	2-30 Collective bargaining agreements	Not applicable ⁴

⁴ All employees within the scope of this SR are not covered by collective bargaining agreements.

GRI STANDARDS	DISCLOSURE TITLE	PAGE REFERENCE
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13
	3-2 List of material topics	13
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	14
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14
Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	16
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	16
	205-2 Communication and training about anti-corruption policies and procedures	16
	205-3 Confirmed incidents of corruptions and actions taken	16
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	17 – 18
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	17
	302-3 Energy intensity	17
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	19 – 20
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	20
	404-2 Programs for upgrading employee skills and transition assistance programs	19
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	21 – 22
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	21 – 22
	403-2 Hazard identification, risk assessment, and incident investigation	21 – 22
	403-4 Worker participation, consultation, and communication on occupational health and safety	21
	403-5 Worker training on occupational health and safety	21
	403-6 Promotion of worker health	21
	403-9 Work-related injuries	22
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	23
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	23

TCFD CONTENT INDEX

DISCLOSURE FOCUS AREA	RECOMMENDED DISCLOSURE	PAGE REFERENCE / REMARKS
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	24
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	24
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	To be incorporated by FY2025
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	To be incorporated by FY2025
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	To be incorporated by FY2025
Risk Management		
Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	To be incorporated by FY2025
	b. Describe the organisation's processes for managing climate-related risks	To be incorporated by FY2025
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	To be incorporated by FY2025
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	25
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	25
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	To be incorporated by FY2025