

SUSTAINABILITY REPORT

For the financial year ended 31 December 2020 (“FY2020”)

1. ABOUT ASIAMEDIC LIMITED AND ITS SUBSIDIARIES

We are a one-stop outpatient wellness, medical diagnostic imaging, family clinic and medical aesthetics service provider in Singapore.

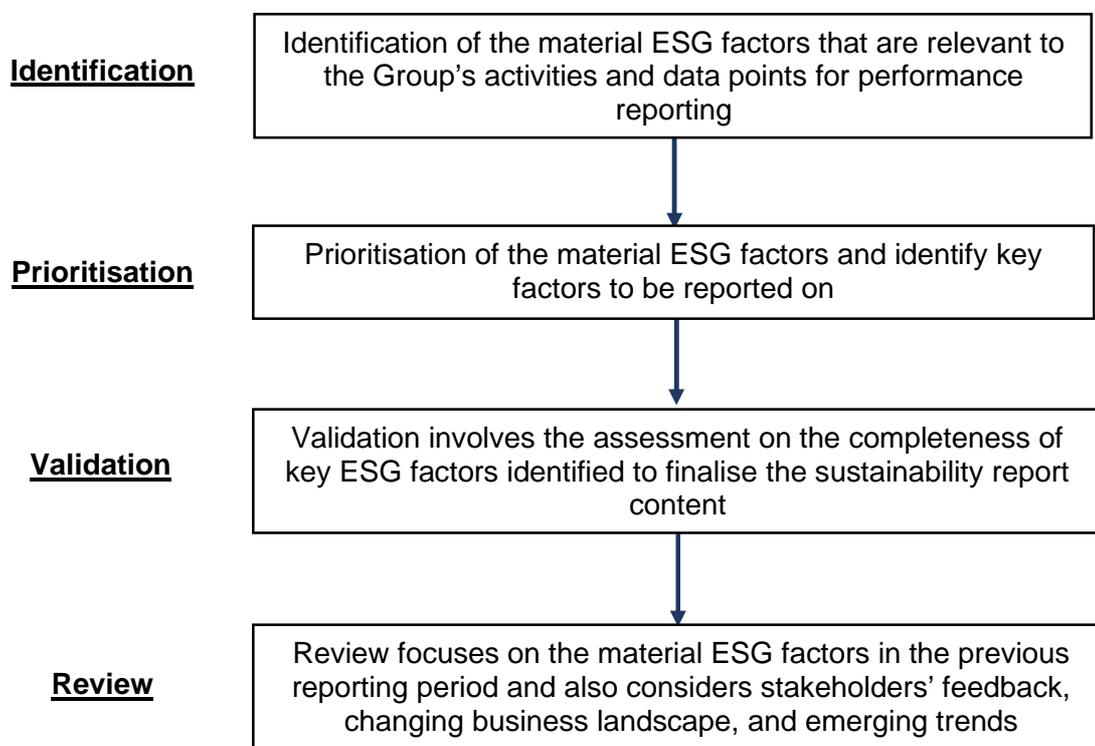
Detailed information on our businesses and performance for FY2020 can be found in our Annual Report for FY2020 issued on 7 April 2021.

2. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “**Board**”) of AsiaMedic Limited has provided direct guidance to the Company’s key senior management (the “**Management**”) in the preparation of this report. Based on the guidelines of Global Reporting Initiative (“**GRI**”) Standards, the Board and the Management identify material Environmental, Social and Governance (“**ESG**”) factors relevant to the Group. The Management then further assesses, monitors and documents the Group’s efforts in managing the identified factors. The Board and the Management will continue to work closely to ensure that the Group has a structured and functioning sustainability reporting framework.

3. SUSTAINABILITY REPORTING PROCESSES

Our sustainability process begins with the identification of the ESG factors. Relevant factors are then prioritised as material ESG factors which are then validated. The end result of this process is a list of material ESG factors disclosed in this report, inter-relations of which are as shown in the chart below:



4. REPORTING PERIOD

This report is in respect of FY2020.

5. KEY STAKEHOLDERS

Our key stakeholders are our shareholders, customers, our employees, the healthcare regulator in Singapore (Ministry of Health), and suppliers.

Key stakeholder	Methods of engagement
Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • SGXNET announcements • Corporate website (www.asiamedic.com.sg)

Key stakeholder	Methods of engagement
Customers	<ul style="list-style-type: none"> • Patient visits and consultations • Feedback forms • Customer hotline • Facebook • Email • Corporate website • On-site visits
Employees	<ul style="list-style-type: none"> • Induction and orientation programmes • On-the-job training • Town hall meetings • Departmental meetings • Annual appraisal • Continuous dialogue
Regulator	<ul style="list-style-type: none"> • Guidelines • Email • Telecommunication • Site visits
Suppliers	<ul style="list-style-type: none"> • Meetings • Email • Telecommunication

6. MATERIAL ESG FACTORS

We have identified a list of material ESG factors that our Management felt have the greatest impact on our stakeholders:

6.1 Competition

The Group continues to face stiff competition in the markets it operates. The Group's wellness and medical diagnostic imaging businesses continue to encounter competition largely on pricing while the Group's family clinic (catering mainly to the expatriate community) and medical aesthetics clinic operate in a fragmented market.

Competition is especially acute for our wellness and diagnostic imaging business and has intensified over the years. We compete locally for patients from both private and public sectors. There are also medical practitioners who have established their own medical diagnostic imaging facilities in their clinics which compete with the Group.

Our family clinic and medical aesthetics clinic face competition mainly from the private operators which comprise a large number of single practitioner clinics. Competition is localised as patients generally do not travel beyond their comfort zone for medical consultation and treatment.

6.2 Quality of service and care to customers

The main customers of our businesses are as follows:

- (a) Diagnostic imaging: medical clinics, medical practitioners and hospitals who refer their patients to us.
- (b) Wellness: corporates/companies who provide health screening benefits to their employees, government agencies whom we undertake certain school/community health screening and health coaching activities on their behalf, and individual private patients.
- (c) Family clinic and medical aesthetics: individual private patients.

We are committed to ensure that the service and care we provide are safe with no unintended or unexpected harm, effective based on scientific knowledge and customer-centred based on their values, preferences and expressed needs.

6.3 Recruitment and retention of healthcare professionals comprising radiologists, medical doctors, radiographers and nurses

The ongoing ability to recruit, develop, and retain qualified radiologists, medical doctors, radiographers and nurses is critical to us as they are central to the services that we provide to our customers. There is an exceptional high demand in our industry for the first three groups of healthcare professionals of radiologists, medical doctors and radiographers in Singapore. Our continued ability to compete effectively depends on our ability to attract such new healthcare professionals and to retain and motivate the existing ones. We may not be able to hire and retain a sufficient number of such healthcare professionals, and we expect that our costs for the salaries and benefits of these healthcare professionals will continue to increase for the foreseeable future because of the industry's competitive demand for their services.

7. POLICIES, PRACTICES, PERFORMANCE AND TARGETS

7.1 Competition

The Group recognises that competing largely based on pricing is unhealthy and will result in margin erosion. Accordingly, the Group strives to provide quality healthcare services to prevent further margin erosion. We have continuously reviewed our service levels as well as our operational processes for better efficiency and cost management. Delivering quality healthcare services while controlling costs is challenging. We ensure our service standards such as our ability to reschedule patients' appointments, capacity of our machines, reducing waiting time of patients, faster turnaround time, ability to provide multiple modalities and disciplines, and the quality of our consultations and services are continually met. The ability to deliver quality professional services and care at competitive prices is a value driver in healthcare delivery. Our reputation as a respected and trusted provider of quality services and care at competitive prices will help us to attract and retain customers.

7.2 Quality of service and care to customers

Patients: We currently assess customer satisfaction by providing feedback forms at the waiting areas so that the patrons of our centre or clinics can provide their feedback and suggestions while waiting for their turns. We also monitor comments and reviews on social media such as our website, Facebook pages, and Google. Patients can also contact us through the customer hotline and email address. We also aim for our patients to have a positive experience in our clinics through better interactions with patients.

Medical practitioners and corporates: We strive to ensure customer satisfaction by fostering good long-term relationship with medical practitioners and corporates customers. We pro-actively engage them to develop service levels that are tailored to their specific needs.

We did not have any incident of health and safety of products and services during the reporting period and we aim to maintain this every year.

7.3 Recruitment and retention of healthcare professionals comprising radiologists, medical doctors, radiographers and nurses

We adopt the following practices to attract and retain our other employees:

- (a) Reward system – We provide competitive packages based on market rates.
- (b) Working environment – Our employees work in an environment which is receptive, friendly and conducive.
- (c) Work-life integration – We provide work opportunities to employees whose family/life circumstances only allow them to take up part-time permanent employment.
- (d) Training – The Group recognizes the importance of investing in our employees and we are committed to ensuring that all employees can realise their potential through formal external seminars, conferences and on-the-job training.
- (e) Constant dialogue – We have constant dialogue and conversations with our employees, both individually and as a group, to engage them on their concerns and needs.

The above practices are also applied to our key healthcare professionals of radiologists, medical doctors and radiographers. As we do not have a large number of such healthcare professionals as the scale of our operations is relatively small compared to other players and we endeavour to be lean operationally, the resignation of a radiologist, medical doctor or radiographer is always keenly felt. In our opinion, it would not be in the interests of the Group to disclose the turnover rate due to the small denominator in the number of staff of the Group.

8. OTHER ESG FACTORS

8.1 Corporate governance

A high standard of corporate governance is integral in ensuring sustainability of the Group's business as well as safeguarding shareholders' interest and maximizing long term shareholder value. Please refer to the Corporate Governance Report of our Annual Report for details for our corporate governance practices.

8.2 Regulatory requirements

The healthcare industry has many standards and regulations. As a healthcare service provider in Singapore:

- (a) We adhere to and comply strictly with all relevant standards and regulations including the Private Hospitals and Medical Clinics Act, Medicine Act, Health Products Act, Radiation Protection Act, and Singapore Medical Council Ethical Code and Ethical Guidelines.
- (b) It is our policy to comply with all laws, rules and regulations governing anti-bribery and anti-corruption. The prohibitions on bribery and corruption are disseminated to all our personnel on an annual basis.

We did not have any non-compliance with regulatory requirements during the reporting period and we aim to maintain this every year.

8.3 Environment

- (a) Our operations do not have a material impact on the environment. Nevertheless, we contribute our part by ensuring compliance with the National Environmental Agency's radiation protection regulations, the disposal of biohazard wastes through the proper channels, and the purchase of our medical supplies from reputable vendors.
- (b) Our imaging business works with referring clinics and patients to replace hard copy film images with quality digital alternatives including CD-ROMs. There are environmental benefits accruing from the reduction in manufacturing, transporting, processing, delivering, storing and disposing of film products. We are pleased that a large percentage of the referring clinicians and patients are receptive to this change.

9. MANAGING SOCIAL RISKS AND OPPORTUNITIES DURING COVID-19

2020 has been a tumultuous year due to the COVID-19 outbreak. The outbreak has become a litmus test for many companies, including the ability of the companies in managing social risks and opportunities among key stakeholder groups.

We set out the measures which we have undertaken for each key stakeholder group as follows:

9.1 Employees

Safeguarding our people will always be a foremost priority. We implemented the government's advisories on tele-commuting and safe management measures such as tele-commuting through the use of IT equipment and technology, staggering the working hours, avoiding physical meetings and social interactions and holding virtual meetings instead, SafeEntry check-in and temperature-taking, ensuring social distancing in our operating premises, emphasizing hand and personal hygiene, compulsory wearing of masks, and regular cleaning and disinfecting of common touchpoints and equipment.

In the second quarter of FY2020, our employees had considerable free time as a result of clinic closures and reduced patient volume. We made use of this downtime to send a large number of our employees for training courses, many of which were conducted online. The courses attended included the following:

- ES WSQ (Employment Skills Workforce Skills Qualifications) courses on leadership, adapting to change, emotional competence, personal effectiveness, and effective teams.
- Basic cardiac life support, cardiopulmonary resuscitation and usage of automated external defibrillator.
- Fire safety and SG Secure awareness.

9.2 Customers

Safeguarding our patients is also a foremost priority. Patients visiting our clinics were required to declare their past 14-day travel history during their visits. We also ensure that the patients checked in with the SafeEntry system. Temperature was also taken and patients with high temperature would be directed to designated areas and attended to by our staff with the correct protective gears. All touchpoints were regularly sanitized. In addition to the above measures, we also ensured that we maintained physical distancing requirements for both our employees and our patients.

9.3 Suppliers

The Group did not encounter supply or service disruption from its suppliers in FY2020. Nevertheless, we recognized that all businesses, including our suppliers, would be severely tested in such a highly challenging environment. In the light of this, we ensured our suppliers were continued to be paid on a timely basis.

9.4 Community

During the Circuit Breaker, some of our clinics were closed and could not operate. During this period, we seconded some staff to the Health Promotion Board to support the government's wider COVID-19 swab testing efforts. Our aesthetic clinic was also closed. Instead of being unoccupied, our aesthetic doctors stepped forward to care for COVID-19 patients in public facilities.

10. FEEDBACK

Enquires, comments or feedback on our sustainability performance and report can be sent to finance@asiamedic.com.sg.

Date: 27 May 2021

This document has been reviewed by the Company's sponsor, Xandar Capital Pte Ltd, in compliance with Rule 226 of the Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.