

# Sustainability at Qian Hu

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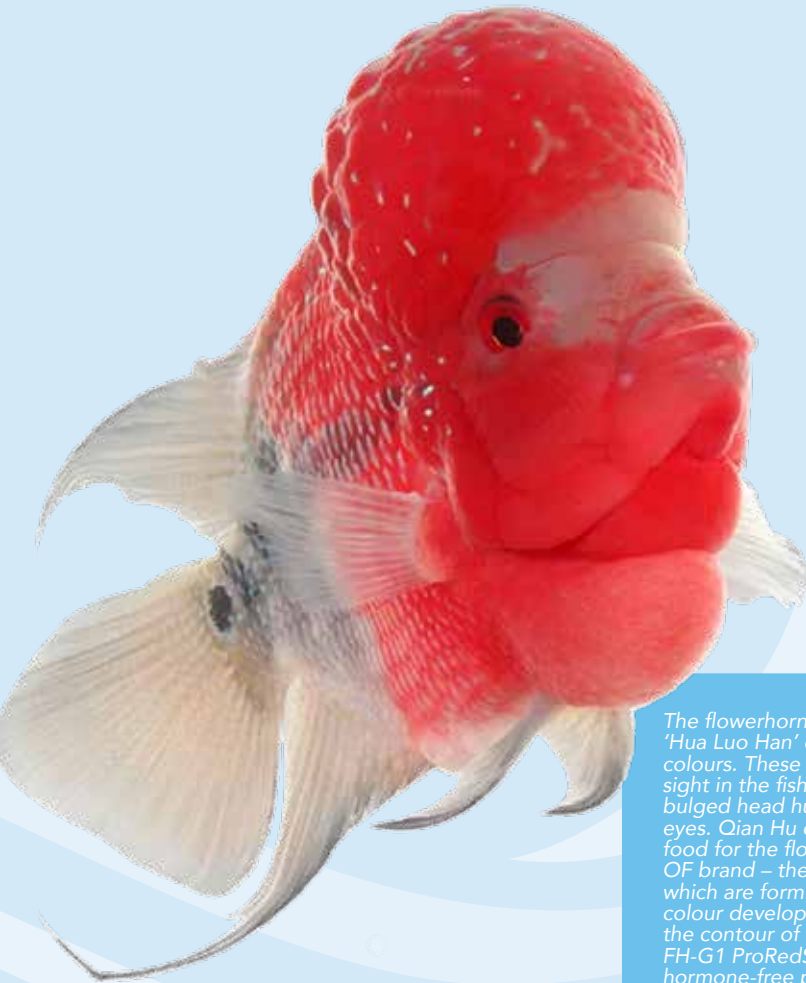
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The flowerhorn cichlid or better known as 'Hua Luo Han' comes in a wide variety of colours. These fish present the most iconic sight in the fishkeeping world with their bulged head hump and deeply rooted eyes. Qian Hu offers a specialised range of food for the flowerhorn species under its OF brand – the FH-G1 ProRedSyn pellets which are formulated to improve both the colour development in the flowerhorn and the contour of its hump. Most importantly, FH-G1 ProRedSyn is a guaranteed hormone-free product that uses only the finest ingredients, available on <http://www.qianhushop.sg>.

# Report Scope

## OVERVIEW

Qian Hu has been a pioneer in reporting on our sustainability efforts since as early as 2012 when we published our very first sustainability report.

Our tenth report this year remains anchored on our belief in improving lives through long-term sustainable initiatives, where we address the activities, data and measurements, where applicable, that fall within our financial year of reporting – 1 January to 31 December 2020. Our Sustainability Report 2020 (or the “Report”) covers our markets of operations: Singapore, Malaysia, China, Thailand and Indonesia unless otherwise stated. All figures are represented in Singapore dollars.

### Guidelines & Methodology

The Report covers our performance with respect to the identified Economic, Social and Governance (“ESG”) factors which are material to our Group.

It has been prepared based on the GRI Standards: Core Option and is also in compliance with the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B and the SGX-ST’s Sustainability Reporting Guide. The GRI Content Index is contained on pages 88 to 90 of this Annual Report, indicating the location of the applicable disclosures within the Report.

### Reporting Principles

#### Principle 1 - Stakeholder Inclusiveness

Identifies Qian Hu’s key stakeholders, engages them and responds to their reasonable feedback and interests.

#### Principle 2 - Sustainability Context

Presents Qian Hu’s performance in the wider context of sustainability.

#### Principle 3 - Materiality

Covers topics that reflect Qian Hu’s significant economic, environmental, and social impact.

#### Principle 4 - Completeness

Includes coverage of material topics to Qian Hu with significant economic, environmental and social impact, so stakeholders can assess our performance in the reporting period.

### Assurance

This Report is not externally assured. We relied on our internal verification mechanisms to validate the accuracy of reporting. Our Financial Statements have, however, been independently audited. We plan to seek assurance in future as we adopt a phased approach to our reporting with progressive improvements to our reporting process meanwhile.

### Feedback

We welcome your feedback, views and suggestions on our sustainability performance. All queries can be addressed to [feedback@qianhu.com](mailto:feedback@qianhu.com).

## MESSAGE FROM THE BOARD

This is our 20th year as a listed company, marking a significant milestone in how we have played our part as a corporate citizen. Likewise, there is no exception when it comes to contributing to the wider community at large; we continue to do our part to give back through our outreach efforts, environmental awareness and a set of robust sustainability practices. Backed by steady financial performance, providing the best products and services to our customers, as well as adding value to our shareholders – sustainability forms an integral part of our organisation and is always top-of-mind.

Our Sustainability Report 2020 summarises the Group’s progress on material issues in the past year, complies with the relevant SGX-ST’s Listing Rules and Sustainability Reporting Guide and uses the internationally accepted GRI Standards as a reporting framework. Our commitment to reporting on sustainability issues dates back to FY 2011, and this edition marks our fourth Sustainability Report prepared in accordance with the SGX-ST Listing

Rules. We have also further complied with the SGX-ST’s Sustainability Reporting Guide with improvements to our report since February 2018, providing descriptive and quantitative information on how our businesses are conducted and how our ESG factors are being managed for a sustainable future.

2020 has undoubtedly been a challenging year with the COVID-19 pandemic causing disruption to businesses and supply chains globally. Nevertheless, on a sustainability front, we remain guided by attentiveness to stakeholders needs, identification of key ESG factors and adherence to the sustainable framework we have put in place to track our progress.

In line with our corporate vision and mission, Qian Hu endeavours to continue to deliver long-term value to all our key stakeholders while progressing our sustainability goals.

Sincerely,

**Board of Directors**

Qian Hu Corporation Limited

# Our Approach & Strategy

## GOVERNANCE STRUCTURE

We have established a dedicated governance framework to drive, govern and manage the sustainability function to ensure that core material issues are incorporated into our corporate agenda. This structure drives our priorities to protect the long-term interests of our shareholders and create value for Qian Hu and its stakeholders.

Our Sustainability Reporting Team forms the core of our sustainability structure and is made up of a representative from each of our operating entities in Singapore, Malaysia, China, Thailand and Indonesia. This team is managed by our Executive Chairman/CEO who reports to the Board of Directors. The team is actively involved in driving the operations, reporting and implementation of our sustainability strategy and programmes in their respective entities.

This includes collaborating on sustainability initiatives and sharing sustainability best practices across the Group as well as overseeing the monitoring of quantitative and qualitative measurements, setting sustainability performance benchmarks and key performance indicators and working closely with other business functions, namely, operations, human resource, and procurement in the Group's sustainability efforts and the development, execution and reporting of the Group's sustainability programme.

The Board of Directors has the ultimate responsibility for the Group's sustainability strategy and reporting and maintains oversight of the Group's sustainability direction. The Board is kept apprised of sustainability programmes, activities and progress regularly, and reviews the sustainability strategy annually. The strategy is also reviewed against the overall business strategy, taking into consideration prevailing trends, economic conditions and geopolitical issues which may affect the Group.

## DEFINING MATERIAL ISSUES

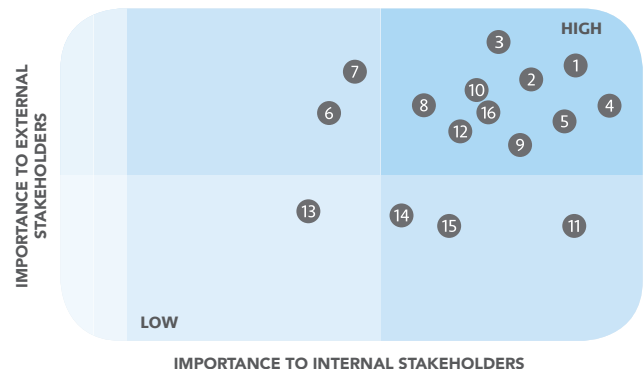
To identify the key material factors material to our Group, we considered those that would have the greatest impact on our operations, stakeholders and the environment around us.

We have undertaken the materiality assessment through the following approach:

- Identify:** the Sustainability Project Team identified the material ESG factors based on their knowledge of the respective business areas, industry challenges and impact on the Group's businesses.
- Prioritise:** the material ESG factors were prioritised through analysis of our internal operations, consultation with key personnel in various business divisions to harness their collective expertise and researching and reviewing industry trends and forecasts.
- Validate:** we re-examined and analysed the significance of the material impacts and their outcomes on our business, stakeholders and the community at large.
- Review:** we sought feedback from stakeholders through our day-to-day engagements and consultation with them to establish the direction for sustainability reporting.

The materiality assessment is endorsed by the Board of Directors. The prioritisation of the material issues is reviewed yearly in the context of the prevailing global, economic, and business conditions. The identified material issues and their prioritisation has seen a greater emphasis on our Supply Chain Management in this year's report.

The following are the material factors identified and prioritised:



- |                          |                                   |
|--------------------------|-----------------------------------|
| 1 Corporate Governance   | 9 Economic Performance            |
| 2 Anti-Corruption        | 10 Product Health Management      |
| 3 Risk Management        | 11 Innovation                     |
| 4 Employee Engagement    | 12 Workplace Safety               |
| 5 Customer Satisfaction  | 13 Community Involvement          |
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| 7 Stakeholder Dialogue   | 15 Training & Education           |
| 8 Environment Management | 16 Supply Chain Management        |

## ENGAGING STAKEHOLDERS

In order to ensure that our business interests are aligned with those of our stakeholders, we regularly engage with them through various medium and channels. This helps us understand and address their concerns, while improving our own service and product standards and business operations for long-term growth and sustainability.

Our stakeholders have been identified as those who are impacted by our business and operations and those who similarly are able to impact our business and operations. Six of these stakeholder groups have been assessed and identified according to their significance to our operations, namely, suppliers, customers, employees, community, investors and regulators.

Our stakeholder issues and engagement platforms are outlined below:

STAKEHOLDERS	KEY ISSUES	ENGAGEMENT PLATFORMS
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Product quality assurance</li> <li>• Product pipeline</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers' Code of Conduct</li> <li>• Monthly supplier visits / meetings</li> <li>• Quarterly review meetings</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Quality products and services</li> <li>• Available feedback platforms</li> <li>• Sustainability efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Annual customer satisfaction survey</li> <li>• Farm visits</li> <li>• Product training</li> <li>• Qian Hu's owned websites</li> <li>• Qian Hu's social media platforms e.g. Facebook, YouTube</li> <li>• Feedback handling through emails / phone calls</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Benefits and remuneration</li> <li>• Employee engagement</li> <li>• Talent retention and career progression</li> <li>• Employee safety and well-being</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly staff dialogue and sharing sessions</li> <li>• Mobile chat groups</li> <li>• Closed group on Facebook's 'Workplace' platform</li> <li>• Regular floor walks</li> <li>• Bi-annual "Fish Matrix" newsletter</li> <li>• Annual employee opinion survey</li> <li>• Whistle blowing policy</li> <li>• Employee appraisal</li> <li>• Internal and external trainings</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Doing our part as a corporate citizen</li> </ul>	<ul style="list-style-type: none"> <li>• Educational farm tours</li> <li>• Employee community programmes and initiatives</li> <li>• Business community interaction and sharing sessions</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Financial performance and stability</li> <li>• Long-term growth plans</li> <li>• Business diversification</li> <li>• Operational efficiency</li> <li>• Regulatory compliance</li> <li>• Risk management</li> <li>• Corporate governance</li> <li>• Sustainability efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated Investor Relations website</li> <li>• Half-yearly financial results announcements</li> <li>• Analyst &amp; media financial results briefing, media releases and presentation slides</li> <li>• Media interviews</li> <li>• 1-on-1 meetings</li> <li>• Annual General Meeting ("AGM")</li> <li>• Detailed AGM minutes available online</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Anti-corruption and bribery</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and maintain relationships and communication channels with government agencies and regulators across different business aspects</li> <li>• Regular meetings with Animal &amp; Veterinary Service (a cluster of National Parks Board) and Singapore Food Agency on statutory requirements and new developments in the ornamental fish sector as well as food safety and security issues</li> </ul>

\* Due to the ongoing safe management measures amidst the COVID-19 situation, all engagement activities will only be carried out under appropriate regulatory guidelines.

# Our Focus, Commitments & Targets

Following the identification of our material factors and key stakeholders, we have mapped out our sustainability priorities and their boundaries, impact to stakeholders, current performance and commitments and targets in the table below.

We aspire for our businesses to have a positive impact on the environment at large, while managing the Group's risk, leveraging opportunities and ensuring long-term financial soundness. We are committed to setting and achieving measurable targets and goals through a consistent approach to our reporting.

FOCUS	IMPACT TO STAKEHOLDERS	2020 PERFORMANCE	COMMITMENTS & TARGETS
<b>Environmental Initiatives</b> <ul style="list-style-type: none"> <li>Energy Consumption</li> <li>Water Management</li> <li>Recycling &amp; Reuse of Materials</li> </ul>	<p>Applies to Qian Hu's operations in Singapore and overseas where our Fish (including Aquaculture), Accessories and Plastics activities have definite impact on the environment. Issues ranging from environmental management to efficiency, reuse and conservation are key issues to all our stakeholders.</p>	<ul style="list-style-type: none"> <li>Exceeded water and energy utilisation targets set in 2016 and its corresponding intensity (see page 46 and 47 of this Annual Report for further details)</li> </ul>	<ul style="list-style-type: none"> <li>Reduce water and energy use intensity by 10% by Year 2025 using Year 2020 as a baseline</li> </ul>
<b>Supply Chain Management</b> <ul style="list-style-type: none"> <li>Engaging Our Suppliers</li> <li>Customer Satisfaction</li> <li>Product Health Management</li> <li>Driving Innovation</li> </ul>	<p>Applies across Qian Hu's business operations in Singapore and overseas. While our products are designed to be reliable and of certain quality, we are also committed to upholding standards in animal welfare and sourcing our materials in a socially responsible manner. Our ability to innovate also translates to how we manage the continuity of Qian Hu's business in a responsible manner towards all our stakeholders.</p>	<ul style="list-style-type: none"> <li>Customer satisfaction score of 4.45 (2019: 4.21)</li> <li>14 (2019: 10) new accessories products launched</li> </ul>	<ul style="list-style-type: none"> <li>Continued to enhance customer satisfaction level with improved service and quality products</li> <li>10 to 12 products developed per year</li> <li>Uphold highest standards of customer data privacy protection</li> <li>Drive responsible business practices across the supply chain</li> </ul>
<b>Labour Practices &amp; Conducive Workplace</b> <ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Upholding Human Rights</li> <li>Non-Discrimination &amp; Diversity</li> <li>Workplace Safety</li> <li>Employee Engagement</li> <li>Training &amp; Education</li> </ul>	<p>Fair and merit-based employment practices are important to our employees, investors, regulators, and community as they affect our ability to attract, retain, and develop talents under the direct hire of Qian Hu's offices and operations in Singapore and overseas. As a small-medium enterprise, business continuity, workplace safety and how we innovate are amongst the highest concerns to our stakeholders.</p>	<ul style="list-style-type: none"> <li>Employees satisfaction score of 4.63 (2019: 4.58)</li> <li>No incident of corruption and fraud</li> <li>No incident of whistle blowing</li> <li>16 hours of training hours per employee</li> <li>Employees' average monthly turnover rate – see page 58 of this Annual Report</li> <li>Zero fatalities and workplace accidents reported</li> </ul>	<ul style="list-style-type: none"> <li>Clear employees' rights set out in Staff Handbook distribute to all employees</li> <li>Improvement in employees satisfaction score over the years</li> <li>"Zero-tolerance" on corruption and fraud</li> <li>Whistle blowing procedures</li> <li>Average of 4 training days per employee per year</li> <li>Turnover rate below industry average rate</li> <li>Zero fatalities and workplace accidents across business operations in all markets</li> </ul>
<b>Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>Stakeholder Dialogue</li> <li>Community Involvement</li> </ul>	<p>Our business is service-centric. An open, constant flow of communication using relevant platforms is important in all aspects of our operations, and applies to all our stakeholder groups. Building partnerships with our stakeholders and community contributes to Qian Hu's social licence to operate and is also relevant to many of our stakeholders.</p>	<ul style="list-style-type: none"> <li>69 hours (2019: 168 hours) in community involvement by employees</li> <li>There was no analyst and media briefing held for FY 2020 full-year financial results due to the ongoing safe management measures amidst the COVID-19 situation</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all communications platforms are clearly set out and are available</li> <li>Increase percentage of employee participation in community initiatives</li> <li>Analyst and media briefings in conjunction with the release of the Group's full-year financial results</li> </ul>
<b>Corporate Governance</b> <ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Risk Management</li> </ul>	<p>Applies across Qian Hu's business operations in Singapore and overseas. Compliance with legislation as well as national and international standards of corporate governance, anti-corruption, risk management, environmental, safety, product, and social responsibility. These are issues of interest to all our stakeholders.</p>	<ul style="list-style-type: none"> <li>Results released on 17 July 2020 (1H 2020) and 12 January 2021 (FY 2020)</li> <li>No incident of legal non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to release financial results               <ul style="list-style-type: none"> <li>No later than 20 days from the half-year end (unaudited results)</li> <li>15 days from the financial year end (audited results)</li> </ul> </li> <li>Continuous strengthening of the enterprise risk management framework</li> </ul>
<b>Economic Performance</b> <ul style="list-style-type: none"> <li>Financial Strength</li> <li>Value Added Performance</li> </ul>	<p>All our internal and external stakeholders look to Qian Hu to deliver on financial performance, as well as our value added contribution to the societies and communities we operate in.</p>	<ul style="list-style-type: none"> <li>Group revenue – \$75.2 million (2019: \$76.9 million)</li> <li>EBITDA – \$4.9 million (2019: \$4.7 million)</li> <li>(Loss) Profit attributable to owners of the Company - \$(1.5) million (2019: \$0.9 million)</li> <li>(Loss) Earnings per share – (1.28) cents (2019: 0.81 cents)</li> <li>Net assets per share – (43.81) cents (2019: 45.71 cents)</li> <li>Final dividend of 0.2 cents per share – totaling approximately \$227K (2019: 0.3 cents)</li> </ul> <p>(see page 30 to 38 of this Annual Report for further details)</p>	<ul style="list-style-type: none"> <li>Revenue and profit growth</li> <li>New business initiatives</li> <li>Sustainable dividend payout</li> <li>Prudent capital management</li> </ul>



# Environmental Initiatives

## ENVIRONMENTAL COMPLIANCE

We strive to minimise the impact our businesses have on the environment by proactively seeking to implement practices that will lead to the sustainable use of resources while preserving the natural balance. We are focused on doing our utmost to address environmental issues related to our business activities alongside economic performance.

Since 1998, Qian Hu has been complying with the regulatory requirements of the ISO 14001:2015 certified Environmental Management System, which provides guidance on the management of key environmental aspects in our business such as recycling of our natural and reusable resources in our daily activities of fish breeding, nurturing, retailing, trading and export.

We are also committed to comply with environmental regulations set out by local governing authorities - the National Environment Agency, the National Parks Board and the Singapore Food Agency, etc. We constantly monitor, evaluate and audit our Environmental Management System, and ensure that we are at the forefront of ISO standards for environment management. We also adhere to other environmental standards such as CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and the ISO 9001:2015 for Quality Management System.

Our aim is to balance our economic interests with environmental concerns, and this is especially relevant for our businesses. We are mindful that certain of our products come from nature and the processes we carry out have an impact on the environment. We recognise our ability to carry out some of our core business activities would not be possible without the natural resources around us, and our priority is to help preserve this environment.

Our feedback channel: [feedback@qianhu.com](mailto:feedback@qianhu.com) is an open avenue for the public to make enquiries or lodge feedback with respect to any environmental or other matters.

## REDUCE, RECYCLE AND REUSE

At Qian Hu, we look into reducing wastage through recycling and reuse of material with a waste management programme to track wastage, pursue recycling initiatives and minimise the use of environmentally unfriendly materials. Our subsidiaries also implement their own initiatives to recycle and reuse material.

Singapore employees are encouraged to sort waste according to material type such as papers, cartons, cans and plastics by placing them in appropriate bins to aid the recycling effort. We are always exploring environmentally sustainable packaging to styrofoam for fish transportation, as well as new types of alternative packaging which would help to minimise our carbon footprint.

In Thailand, used plastic bags from the fish sourcing centres are sent back to the farms to be used again, reducing the incidence of single use plastics. Similarly, in Malaysia, recycling of carton boxes and paper bags is actively practised.

Our subsidiary, Qian Hu Tat Leng Plastic Pte Ltd, manufactures high- and low-density polyethylene bags across a wide range of commercial and industrial sectors. During manufacturing, cut-out plastic wastage is collected and sent to a third-party for recycling, where the recycled plastic resin is then added back to the manufacturing mix, cutting a tremendous amount of wastage. In FY 2020, 140 tonnes of plastic wastage was recycled, a marginal improvement from 138 tonnes recycled in FY 2019.



# Environmental Initiatives (cont'd)

## WATER MANAGEMENT

Water is one of the most used natural resources in Qian Hu's business, and as such, our focus has always been on finding ways to reduce and reuse water to minimise wastage. We are progressively working on our long-term goal to operate an integrated closed-loop water recycling system, where we will be able to recycle all the water used in our operations.

In recent years, we have achieved substantial improvements in our water reduction and reuse efforts, clearly reflected in our water use intensity figures. Our Multi-Tier Automated Recirculation Holding Tank System, introduced as part of our Environmental Management System which enables water to be recycled during the fish quarantine phase, has been installed in the various farms across our operations.

The system, which is a multi-step filtration device, breaks down and rapidly removes bio-load, followed by an ultraviolet steriliser to further remove waterborne pathogens.

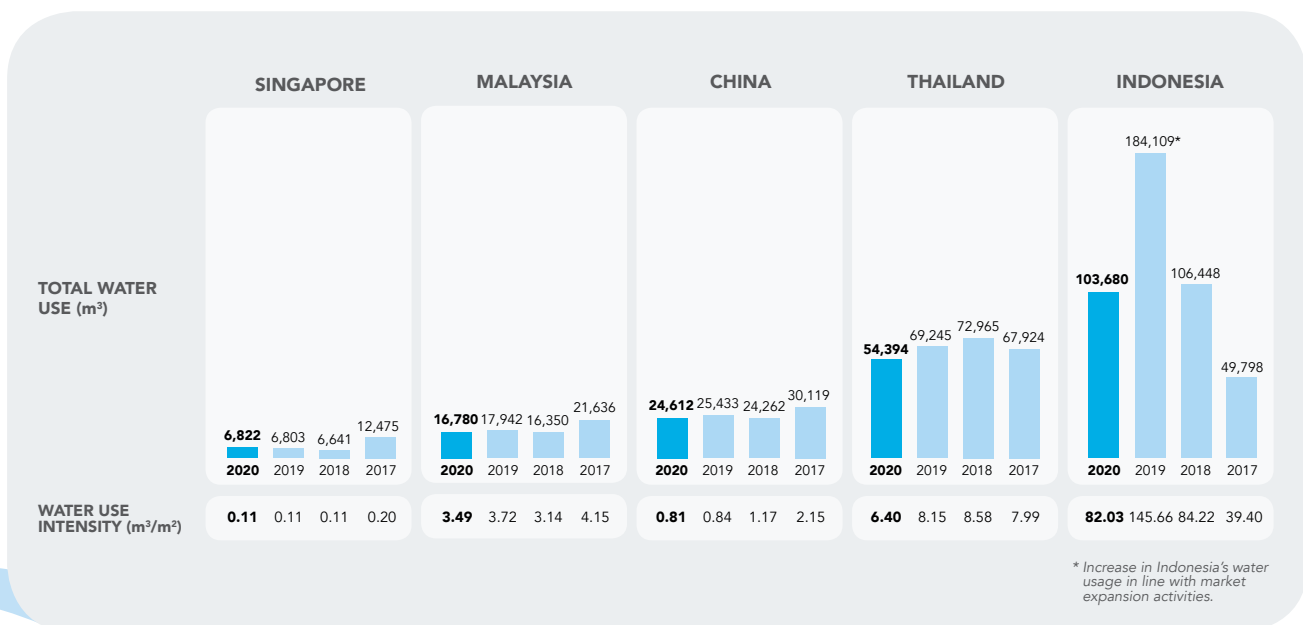
This not only ensures that we eliminate the need to change water daily to reduce the ammonia build-up in the tanks, but also recycles water whilst maintaining the health of our fish – hence, balancing our environmentally sustainable practices with our business objectives of producing high quality fish for distribution.

Aside from a significant reduction in water usage, the system also enables energy savings as minimal maintenance is needed for the tanks. In FY 2020, we have reduced the amount of wastewater discharged by 7%, decreasing the release of waste and effluents into the environment as a result.

This year, over 95% of our water consumption was from recycled water that is channelled from our in-house rainwater catchment areas built within our farms.

In addition, since FY 2018, we have installed a new water treatment system for the water storage tanks in Singapore. Using a bacterial nitrification process to reduce the water ammonia and nitrate levels and also increase the dissolved oxygen to improve water quality, we are enjoying more efficient use of stored water at our local facility. With this, we have also been able to reuse water after it has been treated, reducing our water usage by about 30%.

## ENVIRONMENTAL PERFORMANCE INDICATOR – WATER



## ENERGY CONSUMPTION

We are constantly looking at ways to reduce our energy consumption across our business entities.

Besides closely monitoring our energy usage and implementing basic measures in some of our offices such as switching off the air-conditioner during lunch time, we make use of alternative sources of energy such as natural solar power where possible. For instance, one of our

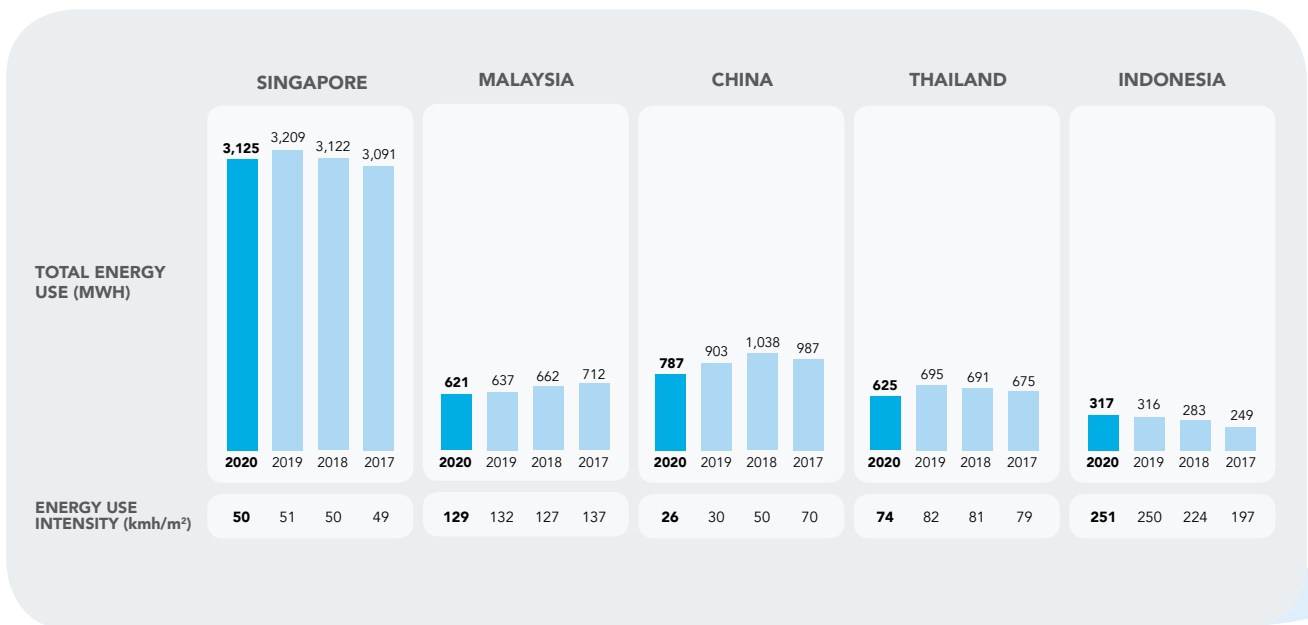
subsidiaries has installed solar panels comprising 1,200 pieces of solar tubes to supplement energy for the tropical fish room operations, cutting down the usage of electricity. Such measures have resulted in lower energy use intensity over the last few years.



### QIAN HU'S ENVIRONMENTAL POLICY

- Comply with all applicable laws, regulations and standards, and collaborate with the authorities and with other companies within the industry to develop standards and practical guides aimed at protecting natural resources, and the environment
- Undertake programmes of continual improvement and pollution prevention
- Reduce the use of environmental unfriendly packing materials and strive to develop alternative practices using new technologies, when available
- Reduce resource consumption and waste generation
- Provide the necessary training and support to staff
- Conduct regular reviews to ensure compliance

## ENVIRONMENTAL PERFORMANCE INDICATOR – ENERGY





# Supply Chain Management

## ENGAGING OUR SUPPLIERS

Our suppliers are key to our long-term growth and sustainability as an integral part of our purchasing process and supply chain management. In this 'new normal' environment, ensuring continued engagement with our suppliers is even more vital than ever for us to effectively pursue sustainable practices.

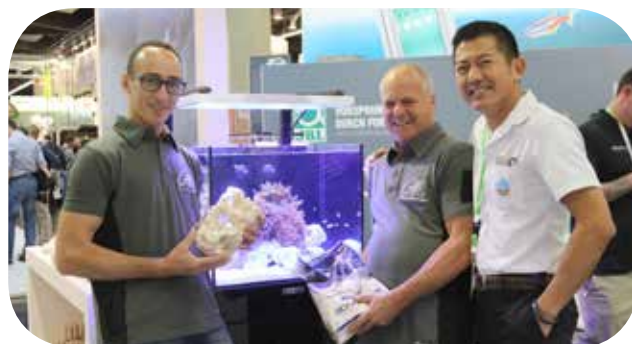
We engage with our suppliers regularly through various touchpoints, one of the most important being through regular meetings as part of our supplier partnership programme. These meetings are an important means for us to gather feedback, exchange ideas and formulate action plans to enhance our relationship so that we remain on track to achieve our common goals. This year, to ensure employees' and suppliers' safety and wellbeing, we have conducted more virtual meetings.

We also carefully select our suppliers based on track record and endorse them by way of our Approved Vendor List. Our suppliers are also chosen for their ability to complement and enhance our commitment towards providing high quality products and excellent service standards. They are expected to comply with our governing principles concerning environmental standards and fair social practices, which would have been communicated to them at the start of our partnership.

Where suppliers are unable to immediately meet our standards and specification, we will provide feedback to enable them to work on improving their practices in order to meet our standards.

In FY 2020, we engaged approximately 887 suppliers, as compared to 883 suppliers in FY 2019, on a global basis. These suppliers were engaged in the provision of a wide range of goods and services which are used in our businesses, from Accessories to Aquaculture.

We are constantly and incrementally instilling higher standards throughout our entire supply chain which will ultimately lead to a higher level of product and services for our Group.



## VALUE CHAIN & SUPPLY CHAIN ANALYSIS

	NO. OF SUPPLIERS	PRODUCTS /SERVICE	DISTRIBUTION	CUSTOMERS
Ornamental Fish	471	<ul style="list-style-type: none"> <li>Import &amp; export of ornamental fish</li> </ul>	<ul style="list-style-type: none"> <li>Own stores</li> <li>Distributors</li> <li>Retailers</li> <li>Direct Sales</li> <li>Online</li> </ul>	<ul style="list-style-type: none"> <li>Retail stores</li> <li>Hobbyists</li> <li>General consumers</li> </ul>
Accessories	351	<ul style="list-style-type: none"> <li>Aquarium and pet accessories</li> </ul>	<ul style="list-style-type: none"> <li>Own stores</li> <li>Distributors</li> <li>Retailers</li> <li>Direct Sales</li> <li>Online</li> </ul>	<ul style="list-style-type: none"> <li>Retail stores</li> <li>Hobbyists</li> <li>General consumers</li> </ul>
Plastics	32	<ul style="list-style-type: none"> <li>Plastics products</li> </ul>	<ul style="list-style-type: none"> <li>Distributors / principals</li> <li>Retailers</li> </ul>	<ul style="list-style-type: none"> <li>Supermarkets</li> <li>Industrial customers</li> </ul>
Aquaculture	33	<ul style="list-style-type: none"> <li>Edible fish fingerlings</li> <li>Seafood products</li> </ul>	<ul style="list-style-type: none"> <li>Secondary breeders</li> <li>Retailers</li> </ul>	<ul style="list-style-type: none"> <li>Secondary breeders</li> <li>General consumers</li> </ul>

## CUSTOMER SATISFACTION

Our commitment to customer best practice means that we strive to provide our customers with reliable service, high quality products and responsive after sales care.

With a customer base spanning more than 80 cities and countries and with the nature of our products involving the distribution of ornamental fish, logistic issues such as flight accessibility and connectivity are important components of timeliness of delivery and low DOA (dead-on-arrival) rates. Our wide distribution network also allows us to maintain a high level of efficiency in the delivery of our products.

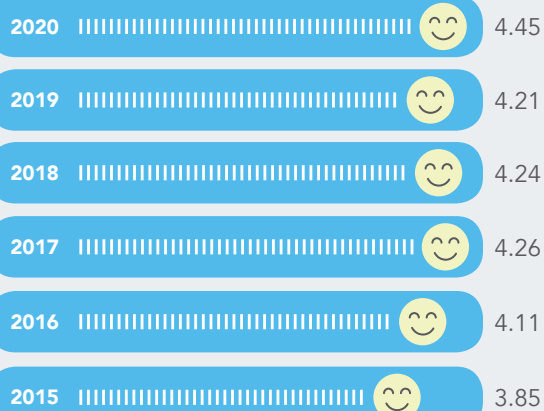
This year, we have also worked to develop stronger domestic networks within each of our export hubs, and deployed land transport options in view of the substantial reduction of flight frequencies.

We engage our customers across a multitude of platforms such as through feedback channels and direct inquiry platforms, dedicated servicing of specific customers, our website, social media platforms, trade shows and exhibitions which we participate in. Additionally, we schedule regular customer visits and maintain open communication through virtual meetings, face-to-face meetings where permitted, phone calls and emails to ensure their needs are met.

Our customers are our priority and their satisfaction is monitored and tracked closely throughout the Group in order to address any shortcomings in our service and product standards, continually improve on our customer relationships and ensure their satisfaction with our offerings. At Qian Hu, we measure our customers' level of engagement with us through an annual Customer Satisfaction Index.

Aside from this formal measurement of customer satisfaction, there are various qualitative indications of customer satisfaction levels.

### CUSTOMER SATISFACTION INDEX



### CUSTOMER PRIVACY

We take the protection of our customers' privacy and data seriously and we are in strict compliance with the Personal Data Protection Act 2012. Our Personal Data Protection Policy sets out our approach to managing and safeguarding personal data and is publicly accessible on our website at [www.qianhu.com/about-qian-hu/privacy-policy](http://www.qianhu.com/about-qian-hu/privacy-policy). The policy applies to all divisions and entities within our Group.

While we collect personal data in the course of providing our goods and services and after sales care, we do not sell, rent, give away, exchange or in any way divulge this data to third parties for commercial or other purposes, without the consent of customers.

There have been no reported breaches of the Personal Data Protection Act 2012 or of any non-compliance with our Personal Data Protection Policy in FY 2020.

All our employees are also guided by Qian Hu's Code of Business Conduct and Ethics, which takes a strict view of any breach of customer confidentiality.

# Supply Chain Management (cont'd)

## PRODUCT HEALTH MANAGEMENT

### Consumer Health & Safety

With more than 3,000 types of fish and accessories products exported and sold in more than 80 cities and countries, we consider consumer health and safety to be of the utmost importance to us. As such, any non-compliance with health and safety issues will have far-reaching consequences, not only to the well-being of our customers and the community at large, but also to our brand equity. This in turn will have a bearing on our financial performance and may have legal and other consequences. We do not sell, use, provide or deal in any form of banned or disputed products, which is our promise to our customers and as a commitment to the highest standards of product health and safety.

We are in compliance with prevailing laws and regulations governing the respective products in the various countries in which they are sold. Our products such as aquarium and pet accessories are manufactured in accordance with HACCP (Hazard Analysis and Critical Control Points) and GMP (Good Manufacturing Practice) standards and are compliant to best practices such as MSDS (Material Safety Data Sheets). Our fish feeds, fish medication and pet food have guaranteed ingredient analyses with respect to nutritional values and content mix. On average, about 20% of our significant product and service categories are continually assessed with the aim of further improving health and safety aspects.

### Product & Service Labelling

As Qian Hu markets various types of fish food, fish medication, pet accessories and other related products, we ensure that we provide accurate and adequate information about these products. The sustainability impact of our products is transparently presented through our labelling

and other packaging information, in order for consumers to make informed choices. Some of our products, such as our cat litter, already utilise environmentally friendly material. These include human-grade tofu, 100% natural pine wood, unbleached, chemical-free and harmful substance-free fibres which are reflected in the information on the packaging. We are constantly looking for ways to further improve the information on our labelling so as to enable our customers to make the best choices for their pets and for the environment.

In FY 2020, to the best of our knowledge, there have been no incidents of non-compliance with regulations and voluntary codes concerning products and service information and labelling by type of outcomes.

### Marketing Communications

As many of our products cater to beloved fish and pet companions, we uphold principles of responsible marketing and communications, effectively and accurately representing our brands, products and value propositions. All our marketing collaterals are in compliance with the Singapore Code of Advertising Practice, governed by the Advertising Standards Authority of Singapore, which is an advisory council to the Consumers Association of Singapore.

In addition, we have internal guidelines and procedures as well as an operational manual which sets out the proper practices to be adhered to by our Group in all communications, marketing and technology applications. In FY 2020, we are not aware of any breaches of guidelines or regulations with respect to advertising or marketing nor any incidence of false advertising or inaccurate or misleading representations of our Group, its products or services.



## DRIVING INNOVATION

Innovation is at the heart of all that we do at Qian Hu, powering us to keep at the forefront of our industry and cater to the changing demands of our customers' lifestyles and needs. The spirit of curiosity, the thirst for knowledge and the drive for continuous improvement is encouraged across all levels within our organisation and we encourage new ideas and feedback. In FY 2020, we are happy to report the following breakthroughs in our product segments.

### OUR PAST SUCCESS

Our past innovative efforts have been successfully implemented, brought to market and received positive response from our customers in the various markets.

- Patented Hydro-Pure Technology
- Multi-tier Automated Recirculation Holding Tank System
- Biological and mechanical filtration, as well as high flow rate water purification units for big pond applications
- Large-scale arowana tank systems
- Early innovation in arowana pellet food

### Ornamental Fish

- New types of betta fish: 'candy' colours, new tail variations such as the cow tail and the halfmoon tail
- New premium Oranda goldfish: different colours from typical goldfish, such as those with a red head and black body
- New varieties of flowerhorn

### Aquarium Accessories

- OF – Freshwater Hydra Aquatic Depurators and Hydra Stream Aquatic Depurator: improved Hydro-Pure Technology specifically for freshwater application
- OF – 3DM Smart Internal Filter: integrated with 3DM biological media for extra biological filtration function
- OF – Qian Hu Probiotic 1: probiotic enzyme for improving koi fish digestion and nutrient absorption
- OF – Qian Hu Probiotic 2: probiotic enzyme for improving biological nitrification and water purification
- Aqua Zonic – Anchorage Submersible High Power UV Lamp (60W/90W)
- Aqua Zonic – Mini Submersible UV-C lamp G3 with 360deg reflector (5-11W)
- Aqua Zonic – Spartan DC variable frequency water pump (4,300 - 12,000L/hr)

### Pet Accessories

- Aristo-Cats Yihu – Healthcare Series: canned cat food made with natural ingredients that addresses specific needs such as kidney, liver and joint care
- Reptilepro – Reptile Paradise Platform: for turtle basking with optional filtration and heater function
- Reptilepro – Reptile Paradise Acrylic Tank 400/600 with basking lamp





# Labour Practices & Conducive Workplaces

## OUR HUMAN RESOURCE PHILOSOPHY

We hold the philosophy of “People First” very close to our hearts as we recognise that our human resource is our greatest asset. Qian Hu has been recognised as a People Developer as well as a recipient of the People Excellence Award by SPRING Singapore, a testament to our employee development programmes and employment planning.

We believe in engaging and developing our employees to their fullest potential so as to enable them to progress through the organisation and to effectively participate and contribute to the growth of the organisation. We review and adjust our human resource policies annually to ensure that we are in compliance with prevailing employment laws, regulations and industry trends.

Our positive employee retention record reflects the Group’s sound employer-employee relations. We have a diverse, multi-cultural and multi-talented workforce. We encourage our employees to have fun within and outside the workplace and instill a spirit of creativity and adventure in their work.

## CORPORATE VALUES & BUSINESS CONDUCT

Any unethical or unlawful behaviour can have far-reaching impact for our Group, both in terms of financial and legal consequences as well as brand reputation. As such, all Qian Hu employees have to abide strictly by our Code of Business Ethics and Conduct (the “Code”).

Disciplinary action will be enforced in the event of violations of this code, including termination of employment in cases of serious breaches, aside from any other legal action such as fines, penalties, imprisonment or claims for damages that may ensue as a result of any breach of prevailing laws and regulations.





## ANTI-CORRUPTION

Qian Hu adopts a zero-tolerance approach to any form of bribery and corruption and will not hesitate to take all necessary action against any such acts. We strictly respect all prevailing anti-corruption legislation in all the markets in which we operate. Our stance in this respect is detailed in our anti-corruption policies contained in our staff handbook under our Code of Business Ethics and Conduct.

All employees are taken through the Code during the employment orientation and induction sessions. We also communicate our anti-corruption policies to all our suppliers, sub-contractors and other business partners at the outset of our working relationship. Additionally, our Finance Department has strict oversight of payments and receipts with appropriate controls and procedures in place to monitor and prevent any irregular forms of payments or receipts.

We also have a set of guidelines for our employees around the receipt and giving of gifts, entertainment, sponsorships and charitable contributions in the course of their work. The guidelines are readily accessible on our Employee Portal.

In FY 2020, there have been no reports of corruption or cases of suspected corruption.



## UPHOLDING HUMAN RIGHTS

Qian Hu is committed to upholding internationally accepted human rights principles, including those related to child labour, forced labour and human trafficking. In Singapore, we are in compliance with the Singapore Prevention Against Human Trafficking Act 2014 (Chapter 45) as well as other prevailing legislations in the countries in which we operate.

We do not engage indirectly either in business with partners, suppliers or third-party manufacturers that are known to use unethical means in their business processes.

We also respect and protect the rights of our own employees and the freedom of association and collective bargaining. Nevertheless, as we are a small-medium enterprise, our business does not involve trade unions and as such there are no employees covered under collective bargaining agreements.

We have not received any reports of labour or human rights violations in FY 2020.



# Labour Practices & Conducive Workplaces (cont'd)

## NON-DISCRIMINATION & DIVERSITY

At Qian Hu, we employ and provide development opportunities based on the necessary skills, experience and work ethics which will enable individuals to excel in their relevant roles – irrespective of their gender, ethnicity, religion, sexual orientation, disability or any other non-work related personal attributes.

Our commitment to fair employment is demonstrated by our pledge to uphold the Fair Employment Practices governed by the Tripartite Alliance for Fair Employment Practices (“TAFEP”), formed by the Ministry of Manpower, Singapore National Employers Federation and the National Trade Union Congress.

Pursuant to the pledge, we are committed to fair and progressive employment practices that will promote an inclusive workplace for all, based solely on merit and ability and governed by progressive human resource practices. We provide equal opportunities for progression within the organisation, training and development and other enrichment opportunities.

We also provide attractive employee benefits to all our employees, full-time as well as part-time, on a fair and equitable basis, including insurance, health care benefits and parental leave. Our benefits are a key factor in our success in retaining employees and in ensuring high morale, motivation and productivity.

We are particularly proud of the fact that we have three female Board members, which puts us ahead of many of our listed peers. We will continue to focus on removing any invisible or structural considerations that may impact diversity within our organisation.

Older workers represent another facet of a diverse workforce. To date, 13.2% of our workforce is currently above 50 years of age. We recognise the experience and talents that older workers bring, and we encourage employees to work beyond the retirement age of 62, health and job requirements permitting. We also schedule relevant courses and periodic training to continually upgrade the skill sets of our senior employees.

In FY 2020, there were no alleged or actual cases of discrimination raised.

### Total of 547 employees

as at 31 December 2020



183

BASED IN  
SINGAPORE

The rest from overseas  
subsidiaries in Malaysia,  
China, Thailand and  
Indonesia



26.7%

5 - 10 years of service

30.0%

more than 10 years  
of service



60.9%

MALE

39.1%

FEMALE

50<sup>+</sup>

13.2%

ABOVE  
50 YEARS  
OF AGE

## WORKPLACE SAFETY

One of Qian Hu's key priorities is centred on the health and safety of our employees. As such, we adhere strictly to all stipulated regulations and guidelines in the countries in which we operate. Minimising the incidence of work-related injury and illness and promoting a safe and healthy work environment leads to positive workplace morale, overall well-being of our employees and ultimately to higher quality products and services.

Our Health and Safety Committee has a joint management-worker representation ensuring a collaborative approach to health and safety issues. The committee members are elected by way of management nomination and employee selection, based on criteria such as daily work scope and ability to handle health and safety issues. The committee regularly monitors and reviews our safety practices and procedures.

This year, in particular, we implemented various measures at our Singapore farm in view of the ongoing COVID-19 situation, including the following:

- Mandatory download of Singapore's 'TraceTogether' app and use of 'Safe Entry' system for all employees for contact tracing purposes
- Twice-daily temperature checks for employees on site
- Safe distancing (1 metre) rules enforced at all times, minimising face-to-face meetings or employee gatherings
- Masks to be worn at all times during working hours
- Split team arrangements with different working hours for each department
- Regular reminders on observing personal hygiene and clear guidelines in the event that any employee feels unwell, with a dedicated quarantine area set aside



Our Singapore farm was awarded with the 'SG Clean' quality certification in June 2020 for meeting the requirements in good practices for its retail premises, a recognition to our commitment to upholding good sanitation and hygiene practices.

Risk identification, monitoring and management are also within the purview of the committee's responsibility. The committee identifies and ranks safety hazards and addresses them according to their order of importance. A review meeting is held annually to ensure that all outstanding issues are resolved and that the Group remains in compliance with all prevailing standards and certifications.

In addition to workplace health and safety training, our employees are sent for training in related safety and first aid on a yearly basis. External consultants are also invited to conduct training in introductory first aid and in the use of the automated external defibrillator ("AED") machine at our farm which enables our employees to be operationally ready to provide medical aid in the event of medical emergencies.

Our employees are also trained on fire safety hazard processes at our local and overseas operations. Regular fire drills and evacuation exercises are conducted in accordance with ISO 14001:2015 standards. We track and report industrial accidents and injuries in accordance with the Ministry of Manpower guidelines and file work-related claims accordingly, with all our employees strictly adhering to reporting procedures concerning all work-related injuries.

Our overall accident frequency rate and severity rates are below the industrial standard, and we continue to endeavour to lower these rates. For FY 2020, we had no reported cases of accidents.

# Labour Practices & Conducive Workplaces (cont'd)

## TRAINING & EDUCATION

Employee training and education remains a core component of our human resource initiative. We provide training and educational programmes to ensure our employees have the necessary skills and knowledge to realise their fullest professional potential. Having a skilled workforce equipped with the relevant technological, operational and business skills to operate in today's fast-paced and dynamic business environment will also ensure that the Group meets its business objectives and remains on track for long-term sustainable growth.

Aside from on-the-job training and relevant skills upgrading, we also provide opportunities for our employees to gain knowledge and skills beyond their job functions or requirements such as external courses on supervisory and problem-solving skills and language enhancement. All training processes are closely monitored and tracked by line managers and the human resources department to ensure that our employees' learning and development needs are adequately met. As compared to the national averages in most categories, Qian Hu has met or exceeded measurements in terms of participation rates and training intensity as defined by the Ministry of Manpower.



Training budget is pegged at approximately **3%** of our total payroll



Each employee spent approximately **16 hours** on average in training in FY 2020

## SUCCESSION PLANNING

Qian Hu takes a long-term view on growth. We recognise that business continuity is crucial in ensuring a sustainable future. To this end, we have put in place a structured succession programme over the last 15 years to prepare a team of executives to ably lead the Group into the future.

Our new Group CEO, Mr Yap Kok Cheng, has been selected from a group of management trainees who have been undergoing a rigorous leadership grooming process which involves job portfolio rotation and performance evaluation under exacting business environments. We are of the view that such

a robust preparatory programme will ensure their readiness to assume the mantle of leadership and their willingness to place the Group's interest above all else.

The CEO appointment was reviewed by the Nominating Committee, supported with peer appraisals. It is a Group policy that the selection is based purely on individual merit and capabilities with no preference given to family connections or any other non-meritocratic criteria.

We may also undertake a similar process to groom future key executives within the Group.

## EMPLOYEE ENGAGEMENT

Engaging with employees is a priority at Qian Hu as we consider human resource to be our greatest asset. As such, we believe in maintaining open and ongoing channels of communication with our employees since these platforms enable them to voice their concerns, especially with respect to human resource-related grievances or issues. They are also an effective means of communicating the Group's business activities and corporate developments and ensuring that all our employees are of one mind and purpose in the pursuit of the Group's long-term growth.

### Feedback Platforms

We maintain various communication channels in order to build stronger working relationships within the organisation. An Employee Opinion Survey offers an avenue for gathering feedback and opinion on the leadership performance of senior management, whilst monitoring areas which need improvement.

Every quarter, senior management-staff dialogue sessions are held across our subsidiaries to promote better communication across all levels of the organisation. Employees are free to ask questions, voice their concerns and grievances and provide suggestions during these sessions. Such exchanges assist in building a culture of understanding and openness. Senior managers from our various divisions and subsidiaries also hold regular briefings with staff to ensure important strategies or messages are conveyed directly to staff. This year, we moved our dialogues online with regular participation from our staff.

We also publish an in-house newsletter, "FISH MATRIX" on a bi-annual basis which is disseminated to all employees and made available on our website. The newsletter is another means of broadcasting corporate developments and other important news on a Group-wide basis.

We have also been utilising internal group chats to broadcast, in a quick and efficient manner, employee corporate activities, reminders on important initiatives or deadlines and other employee-related content. These broadcasts have been positively received by employees as they are kept abreast of developments in a seamless manner with messages pushed out to them.

Our subsidiaries and divisions utilise popular chat platforms in their respective markets, such as WeChat and LINE messenger, to set up company-wide chat groups and exchange information.

### Whistle Blowing Policy

Qian Hu has in place a whistle blowing policy to allow our employees the mechanism to raise concerns on possible improprieties in financial reporting, fraudulent acts and other such irregularities without fear of reprisals. The mechanism is endorsed by our Audit Committee and reports or concerns of improprieties are made directly to the Chairman of the Remuneration Committee.

The Audit Committee reviews all whistle blowing complaints at its quarterly meetings, ensuring that any investigation and appropriate follow-up actions are taken. In instances of serious offences and or criminal activities, the Audit Committee and the Board have access to the appropriate external advisors and where necessary, a formal report with the relevant government or regulatory authority will be filed.

In FY 2020, there were no known incidents of non-compliance with our Code of Business Ethics and Conduct or whistle blowing cases in Qian Hu.

### Employee Welfare

For the well-being of our employees, we organise various health and wellness programmes in Singapore throughout the year. Aside from employee health checks, recreational and sports activities and monthly employee birthday celebrations were organised to foster bonding outside of work. This year, despite the lockdowns, we managed to host some of these events virtually.

Likewise, our various subsidiaries conduct their own employee welfare programmes. For example, employees in our overseas subsidiary in Guangzhou had a recreation space created for them where they can rest, play games such as table tennis and billiards and watch television. Sports carnivals, basketball competitions, Christmas events and employee retreats are some of the other activities organised for employees there. Until these spaces can be used freely again, we have moved our recreational activities to virtual platforms where applicable.

### EMPLOYEE SATISFACTION INDEX



4.63	2020	4.67	2017
4.58	2019	4.57	2016
4.57	2018	4.44	2015



# Labour Practices & Conducive Workplaces (cont'd)

## PEOPLE PERFORMANCE INDICATORS

	SINGAPORE			MALAYSIA			CHINA			THAILAND			INDONESIA			TOTAL		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
<b>EMPLOYEE PROFILE</b>																		
<b>Total employees (number)</b>	<b>183</b>	<b>190</b>	<b>184</b>	<b>99</b>	<b>107</b>	<b>104</b>	<b>148</b>	<b>160</b>	<b>78</b>	<b>88</b>	<b>108</b>	<b>111</b>	<b>29</b>	<b>30</b>	<b>30</b>	<b>547</b>	<b>595</b>	<b>507</b>
<b>Employees by gender (number)</b>																		
Male	121	130	123	66	73	69	63	70	40	59	78	81	24	25	25	333	376	338
Female	62	60	61	33	34	35	85	90	38	29	30	30	5	5	5	214	219	169
<b>Employees by age group (number)</b>																		
Under 30 years old	26	34	34	33	48	41	28	37	29	27	45	48	12	10	10	126	174	162
30 to 50 years old	105	102	96	55	50	53	115	116	46	59	61	61	15	18	18	349	347	274
Over 50 years old	52	54	54	11	9	10	5	7	3	2	2	2	2	2	2	72	74	71
<b>Employees by educational qualification (number)</b>																		
Degree and above	29	26	24	4	5	7	19	18	10	53	65	69	7	7	7	112	121	117
Diploma and equivalent	36	27	31	29	29	29	39	40	28	7	9	6	3	3	3	114	108	97
Secondary and below	110	130	129	65	72	67	86	96	33	28	34	36	19	20	20	308	352	285
Skill certificates	8	7	0	1	1	1	4	6	7	0	0	0	0	0	0	13	14	8
<b>Employees by employee category (number)</b>																		
Key management	24	19	18	4	5	5	1	2	1	7	9	11	3	1	3	39	36	38
Middle management & Executives	39	47	42	24	30	25	23	26	16	19	18	16	4	3	0	109	124	99
Admin & Operational staff	120	124	124	71	72	74	124	134	61	62	81	84	22	26	27	399	437	370
<b>Employees by employment contract (number)</b>																		
Permanent	183	190	184	99	107	104	146	160	78	88	108	111	29	30	30	545	595	507
- Full time	181	187	181	94	94	97	146	160	76	88	108	111	27	29	29	536	578	494
- Part time	2	3	3	5	13	7	0	0	2	0	0	0	2	1	1	9	17	13
Temporary	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	2	0	0
<b>Employees by length of service (number)</b>																		
Less than 5 years	52	71	69	57	58	48	96	97	66	18	43	62	14	10	10	237	279	255
5 to 10 years	48	38	37	27	33	26	20	33	6	36	38	22	15	20	20	146	162	111
Over 10 years	83	81	78	15	16	30	32	30	6	34	27	27	0	0	0	164	154	141
<b>NEW HIRES</b>																		
<b>Total new hires (number)</b>	<b>26</b>	<b>20</b>	<b>21</b>	<b>29</b>	<b>24</b>	<b>25</b>	<b>34</b>	<b>17</b>	<b>55</b>	<b>4</b>	<b>5</b>	<b>20</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>95</b>	<b>67</b>	<b>125</b>
<b>New hires by gender (number)</b>																		
Male	14	17	15	23	16	20	19	8	34	3	3	17	2	1	2	61	45	88
Female	12	3	6	6	8	5	15	9	21	1	2	3	0	0	2	34	22	37
<b>New hires by age group (number)</b>																		
Under 30 years old	14	9	10	11	15	14	16	10	28	1	4	16	2	1	0	44	39	68
30 to 50 years old	11	11	8	16	9	11	18	7	27	3	1	3	0	0	3	48	28	52
Over 50 years old	1	0	3	2	0	0	0	0	0	0	0	1	0	0	1	3	0	5
<b>TURNOVER</b>																		
<b>Total turnover (number)</b>	<b>33</b>	<b>14</b>	<b>22</b>	<b>37</b>	<b>21</b>	<b>34</b>	<b>46</b>	<b>18</b>	<b>70</b>	<b>24</b>	<b>8</b>	<b>25</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>143</b>	<b>62</b>	<b>152</b>
Average monthly turnover rate (%)	1.5	0.6	1.0	3.1	1.6	2.7	2.6	0.9	7.5	2.3	0.6	1.9	0.9	0.3	0.3	2.2	0.9	2.5
<b>Turnover by gender (number)</b>																		
Male	23	10	17	30	12	26	26	7	42	22	6	22	3	1	1	104	36	108
Female	10	4	5	7	9	8	20	11	28	2	2	3	0	0	0	39	26	44
<b>Turnover by age group (number)</b>																		
Under 30 years old	9	4	9	13	8	21	19	8	41	14	5	21	0	1	1	55	26	93
30 to 50 years old	21	7	13	22	12	12	25	9	27	10	3	4	3	0	0	81	31	56
Over 50 years old	3	3	0	2	1	1	2	1	2	0	0	0	0	0	0	7	5	3

# Community Involvement

As a responsible corporate citizen, Qian Hu works to contribute meaningfully to the communities and environment where we operate, based on our Community Involvement Policy of "Charity, Community and Commitment". Our outreach initiatives, in addition to enriching the community and supporting social causes, businesses and entrepreneurship, are also a means of fortifying the fabric of our workforce, as we band together for the greater good of the community and the environment.

## Giving Back to the Community

Our employees are encouraged to be involved in community activities and to donate to selected charities. This year, although our community efforts were limited due to the pandemic, our employees in China volunteered at Tan Bu Zhen Old Age Home in Guangzhou with meaningful activities for the senior citizens.

In Singapore, we made a monetary donation to the Geylang East Home for the Aged in line with our societal contributions.

We also conducted added training for our employees in the areas of Occupational Health, Work Safety and Industrial Injury Safety to improve and upgrade their skills.

## Contributing to the Business Community

As a leader in the ornamental fish distribution business and related industries, we have much to contribute to the wider fish industry ecosystem. Our Chief Executive Officer, Mr Yap Kok Cheng, is a member of the Animal and Veterinary Service's Ornamental Fish Business Cluster, while our Finance Director, Ms Lai Chin Yee, is a Board member of the Accounting and Corporate Regulatory Authority (ACRA) and also a Council Member of the Institute of Singapore Chartered Accountants (ISCA). Our Executive Chairman, Mr Kenny Yap, continued to contribute his views as a columnist to the Lianhe Zaobao segment - 老板生意经 in FY 2020.



Through our experiences and learnings, our senior management team members are actively engaged in sharing our business excellence practices with others. They play an active role in connecting with the broader industry ecosystem to share knowledge, network contacts, and resources so as to help improve business and operational practices and to raise the performance standards in our industry.



# Investor Relations

As a listed entity, one of Qian Hu's key responsibilities is to communicate our financial performance, business strategies and other relevant corporate information in a timely, transparent and accurate manner to our financial stakeholders and the wider investment community.

We are in strict compliance with the SGX-ST's Code of Corporate Governance and other prevailing laws and regulations on disclosures. Our compliance culture is founded on principles of integrity, transparency, responsiveness and a respect of the spirit as well as letter of the law – demonstrated by the numerous Corporate Awards we have garnered. Our annual score in the Singapore Governance and Transparency Index, the leading index for assessing corporate governance practices of Singapore-listed companies, consistently places us in the top tier of the rankings.

Consistent with our past standards of expedient reporting for the past 15 years, we target to release our half-year results (unaudited) and full-year results (audited) within 20 days and 15 days respectively after the end of the financial period. Our results announcements are accompanied by a press release in English and Chinese, summarising the highlights of the results and the explanation behind the Group's performance. For the full-year results, we equip our investor public with a "mini annual report", which is a compilation of the financial and related materials for the year, such as the Chairman's Message, press releases, media releases, presentation slides and financial statements. All our results and material announcements are posted on SGXNet, which is accessible to the public on both Qian Hu and the SGX websites.

Another key component of shareholder communication is our Annual General Meeting ("AGM"). Several channels, such as, email or fax, are available for shareholders who are unable to attend the AGM to provide their input and feedback. With safe management measures and limits on large event gatherings amidst the COVID-19 situation in Singapore, we will be hosting our forthcoming AGM in March 2021 by electronic means. Detailed minutes of the AGM are posted on the Group's website and on SGXNet within three business days of the meeting. (Please refer to the Notice of AGM on pages 171 to 174 of this Annual Report for more details)

Ongoing communication with the investment community is a cornerstone of our investor relations programme. Our Group's senior management hosts annual briefings for analysts, fund managers and media after the release of our full-year results, with delayed webcasts available for those unable to attend. These facilitate impartial, insightful and accurate reports on the investment merits of Qian Hu for the investing community and the general public.

Aside, our Chairman engages with analysts and fund managers looking for a better grasp of the Group and its performance and engages with them regularly to ensure that we are in tune with the investment community's and public

needs. Media interviews are also conducted on pertinent topics and to share the Group's strategies, new corporate developments or industry trends with the wider community.

Our investor relations site – <http://qianhu.listedcompany.com> – is kept up to date with SGX announcements, financial results, annual report and financial presentations as well as our corporate governance report, investors' Q & A and detailed minutes of the AGMs. With an open and easily accessible channel for investor queries through dedicated investor relations email addresses, our investor relations team ensures timely responses to queries, suggestions and clarifications, which goes a long way towards building trust and confidence in the Group.

With effect from November 2019, Qian Hu is part of the "SGX Fast Track" programme, where the Group can expect to receive prioritised clearance for all submissions of corporate actions. This is designed to recognise the efforts and achievements of listed issuers which have held high standards of corporate governance and a good compliance track record.



Our AGM for FY 2019 was held physically on 26 March 2020 and in compliance with safe management measures.

## FINANCIAL CALENDAR

FY 2020	FY 2021	
13 Jan	12 Jan	<ul style="list-style-type: none"> <li>• Full-Year Results Announcement</li> <li>• Media &amp; Analyst Briefing (held for FY 2019 results)</li> </ul>
26 Feb	1 Mar	<ul style="list-style-type: none"> <li>• Despatch of Annual Report</li> </ul>
26 Mar	29 Mar	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> </ul>
23 Apr	26 Apr	<ul style="list-style-type: none"> <li>• Payment of dividend (Subject to Shareholders' approval at AGM)</li> </ul>
17 Jul	16 Jul	<ul style="list-style-type: none"> <li>• Half-Year Results Announcement</li> </ul>