

# Sustainability

At Qian Hu

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# Report Scope

## Overview of Report

We are committed to pursuing a business strategy, operational best-practices and group policies that have as its ultimate goal the long-term sustainable growth and viability of our business and its positive impact on the communities and environment around us.

This is our second year of sustainability reporting and as with our inaugural sustainability report, we address the activities, data and measurements, where applicable, that fall within our financial year of reporting from 1 January to 31 December 2018. Unless otherwise stated, the Sustainability Report 2018 (or "the Report") covers our markets of operations namely Singapore, Malaysia, China, Thailand and Indonesia. All figures are represented in Singapore dollars.

### REPORTING GUIDELINES AND 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 in accordance with the latest Global Reporting Initiatives ("GRI") Standards: Core Option and is also in compliance with the SGX-ST Listing Rules 711A and 711B and the SGX Sustainability Reporting Guide. The GRI Content Index is contained at the end of the report, indicating the location of the applicable disclosures within the Report.

### ASSURANCE

We did not obtain external assurance for the Report. We have relied on our internal verification mechanisms for the veracity and accuracy of the Report. Our Financial Statements have, however, been independently audited. We will be seeking assurance in future, adopting a phased approach to our reporting, making progressive improvements to our reporting process.

### FEEDBACK

We welcome stakeholders' comments, views and suggestions on this report. These and other queries can be addressed to [feedback@qianhu.com](mailto:feedback@qianhu.com).

## Message from The Board

We are an organisation that seeks to always add value, whether it is to our shareholders in the form of returns on investments, to our customers in terms of providing the best goods and services or to the wider community at large, in terms of giving back through our outreach efforts and through our environmental awareness and sustainability practices.

This is our second sustainability report prepared in accordance with the SGX-ST Listing Rules, although we have been reporting on our sustainability issues as far back as 2011. This year, we have sought to improve on our report, giving the requisite "descriptive and quantitative information on how business is conducted" and how our environmental, social and governance factors ("ESG") are being managed for a sustainable future, in compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules and Sustainability Reporting Guide.

Beyond just compliance with the Rules, as an organisation, we have wholeheartedly embraced the responsibility which we have towards all our stakeholders and the wider community of building an organisation that is aware of its financial, social and environmental obligations. Towards this end, our approach to sustainability remains, as was set out in our FY 2017 report, guided by attentiveness to stakeholders' needs, identification of key ESG factors and adherence to the sustainable framework we had put in place to track our progress.

While striving to comply with the SGX-ST listing guidelines and using the internationally accepted GRI Standards as a reporting framework, our efforts are a work in progress which we hope to incrementally improve upon over time.

Sincerely,  
**Board of Directors**  
Qian Hu Corporation Limited



# Our Approach & Strategy

## Governance Structure

As our priority in our sustainability efforts remains to protect the long-term interests of shareholders and value creation for our company and stakeholders, a dedicated sustainability structure was implemented to drive, govern and manage the sustainability function.

At the core of the sustainability structure is a Sustainability Reporting Team. Our Sustainability Reporting Team is made up of a representative from each of our operating entities in Singapore, Malaysia, Thailand, Indonesia and China. The team is managed by our Managing Director who reports to the Board of Directors. The team is actively involved in driving the 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 maintains the overall oversight of the Group's sustainability direction. The Board reviews the sustainability strategy annually and considers this together with the overall Group strategy, so as to take into consideration prevailing trends, economic conditions and geopolitical issues which may affect the Group. It is kept apprised of the sustainability programmes, activities and progress regularly.

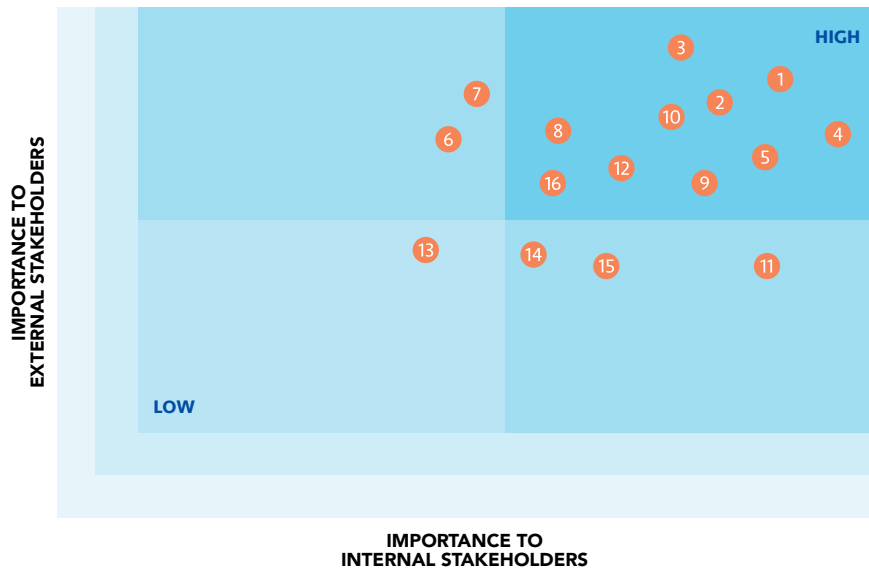
## Defining Material Issues

In identifying the key ESG 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:

- 1. Identification:** 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
- 2. Prioritisation** – The material ESG factors were prioritised through painstaking 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
- 3. Validation** – We carefully re-examined and analysed the significance of the material impacts and their outcomes on our business, stakeholders and the community at large
- 4. 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 are reviewed yearly in the context of the prevailing global, economic, and business conditions. The material issues identified and their prioritisation remain unchanged from last year's report.

The following are the material factors identified and prioritised.



- |                          |                                   |
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## Engaging Stakeholders

We regularly engage our stakeholders through various medium and channels to ensure that our business interests are aligned with those of our stakeholders, to understand and address their concerns and to enable us to improve our own service and products 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. We have identified six stakeholder groups through an assessment of their significance to our operations, namely, suppliers, customers, employees, community, investors and regulators.

Our stakeholder issues and engagement platforms are detailed 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 email / 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 and SMS push notifications</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 relations 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>• Quarterly financial results announcements</li> <li>• Half-yearly analyst &amp; media financial results briefing, media release 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 AVA on statutory requirements and new developments in the ornamental fish sector</li> </ul>

# Our Focus, Commitments & Targets

Having identified the materiality factors and our key stakeholders, we have mapped out our sustainability priorities and their boundaries, impact to stakeholders, current year performance and commitments and targets in the table below. We aspire to increase our value creation for all our stakeholders and to have a positive impact on

the environment at large, while managing the Group's risk, leveraging on opportunities and ensuring its long-term financial soundness. We remain committed to setting and achieving measurable targets and goals, although we are taking a phased approach to our reporting.

FOCUS	IMPACT TO STAKEHOLDERS	2018 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 farm, pet accessories and aquaculture activities have definite impact on the environment.</p> <p>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>Overall lower water and energy utilization and its corresponding intensity - see page 49 of this Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Reduce water and energy intensity by 15% by Year 2020 using Year 2016 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.</p> <p>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 4.24 (2017: 4.26)</li> <li>17 (2017: 11) 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 local talents under the direct hire of Qian Hu's offices and operations in Singapore.</p> <p>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 4.57 (2017: 4.67)</li> <li>No incident of corruption and fraud</li> <li>No incident of whistle-blowing</li> <li>24 hours of training hours per employee</li> <li>Employees' average monthly turnover rate - see page 59 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.</p> <p>Building partnerships with our stakeholders and community contributes to Qian Hu's social license to operate and is also relevant to many of our stakeholders.</p>	<ul style="list-style-type: none"> <li>164 hours (2017: 158 hours) in community involvement by employees</li> <li>Analyst and media briefings held on 16 July 2018 and 11 January 2019</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>Half-yearly analyst and media briefings in conjunction with the release of the Group's half year and 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 16 Apr (1Q 2018), 16 Jul (2Q 2018), 16 Oct (3Q 2018) and 11 Jan (FY 2018)</li> <li>No incident of legal non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to release financial results early - No later than 20 days from the end of each quarter (unaudited results) - 15 days from the financial year end (audited results)</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 - \$85.7 million (2017: \$87.8 million)</li> <li>EBITDA - \$3.4 million (2017: \$3.1 million)</li> <li>Profit attributable to owners of the Company - \$0.4 million (2017: \$0.3 million)</li> <li>Earnings per share - 0.35 cents (2017: 0.29 cents)</li> <li>Net assets value per share - 44.75 cents (2017: 45.48 cents)</li> <li>Final dividend of 0.2 cents per share - totaling approximately \$227K (2017: 0.2 cents)</li> </ul>	<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 are committed to environmental preservation and aim to minimise the impact our business has on the environment. We proactively seek to implement practices that will lead to the sustainable use of resources, striking a balance between the need to use natural resources, given the nature of our business, and the need to preserve the natural habitat. While seeking to maximise economic gains for the organisation, we also seek to maximise our efforts at addressing environmental issues particularly those related to our business activities.

We take all necessary measures to ensure that we are in compliance with the prevailing laws and regulations of the countries in which we operate. In Singapore, our headquarters and centre of our operations, we are in compliance with the environmental regulations set out by the local governing authorities – the Agri-Food & Veterinary Authority of Singapore, the National Environment Agency, and the National Parks Board, to name but a few.

In 2018, we completed our EMS14001:2004 transition to the new ISO14001:2015 standard as part of the surveillance audit by SGS Singapore, the world's leading inspection, verification, testing and certification company, having transitioned to ISO9001:2015 standard the previous year.

We monitor, evaluate and audit our Environmental Management System, which has met the regulatory requirements of the ISO 14001:2015 (environmental management). We are guided by the standards in our daily activities of fish breeding, nurturing, retailing, trading and export, ensuring proper management of the environmental aspects of these activities. We also adhere to other standards such as CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and ISO9001:2015.

We continue to maintain a feedback channel through which the public can make enquiries or lodge complaints with respect to any environmental or other matters at [feedback@qianhu.com](mailto:feedback@qianhu.com).

## Energy Consumption

As a responsible business entity, we seek ways to reduce our energy consumption across our business entities. Besides closely monitoring our energy usage and implementing simple measures in some entities such as switching off the air-conditioner during lunch time, we make use of alternative sources of energy, namely tapping on natural solar power. One of our subsidiaries in China has installed solar panels, comprised of 1,200 pieces of solar tubes, to supplement energy for the tropical fish room operations during winter months, cutting down the usage of electricity.

### 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 Initiatives

## Water Management

Due to the nature of our business, water is one of our most used natural resources. As such, our focus has always been on finding ways to reduce water usage and reuse water to minimise water wastage. Our ultimate goal, to which we are progressively working, is to operate an integrated closed-loop water recycling system, where we will be able to recycle all the water used in our operations.

Although that goal is a work-in-progress, we have made substantial strides in our water reduction and re-use efforts. 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 Singapore and most of our farms located overseas. Typically, we have to change water daily during this phase, to remove leftover food and waste and to reduce the ammonia build-up in the tanks. With the use of this system, which is a multi-step filtration device, bio-load is broken down and quickly removed after which, an ultraviolet steriliser further removes waterborne pathogens. This ensures that while we recycle water, it is not at the expense of the health of our fish, thus 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 in using this system, minimal maintenance is needed for the tanks. We have also reduced the amount of waste water discharged by 7% in FY 2018, thus reducing the release of waste and effluents into the environment.

In FY 2017, over 90% of our water consumption was from recycled water that is channelled from our in-house rainwater catchment areas built within our farms. In FY 2018, we have managed to increase this to 95%.

We have installed a new water treatment system for the water storage tanks in the farm in Singapore. The system uses a bacteria nitrification process to reduce the water ammonia and nitrate levels and also increase the dissolved oxygen to improve water quality, thus facilitating the efficient use of stored water.

Additionally, using our Hydro-Pure technology, we have been able to reuse seawater for our aquaculture farms in Hainan after it has been treated, reducing our seawater usage by about 20%.

A significant step in our efforts to create an environment where all the water we use will be recycled and reused, with little or no wastage, is the commencement of the testing of our Hydra Prime recirculation system, which will reduce the need to change water within an enclosed tank.

## Recycling and Reuse of Material

Across the Group, there is a concerted and combined effort to reduce wastage through recycling and reuse of material in accordance with a waste management programme to track wastage, pursue recycling initiatives and reduce the use of environmentally unfriendly or damaging materials. Additionally, our various operations in different countries have their own initiatives to recycle and reuse material.

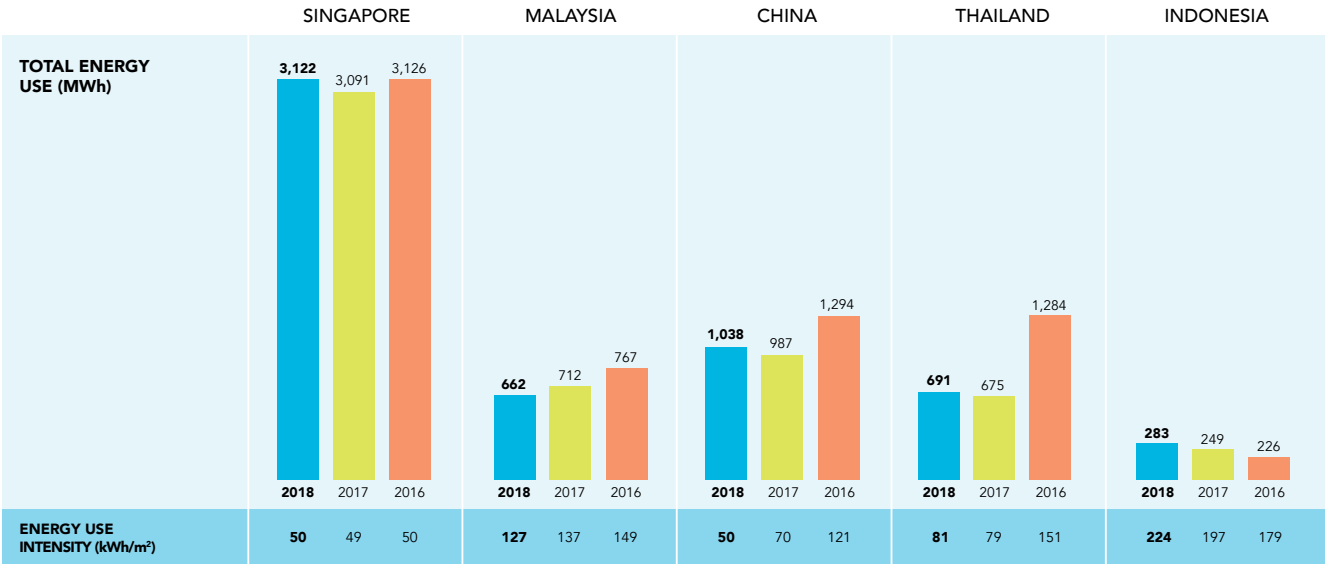
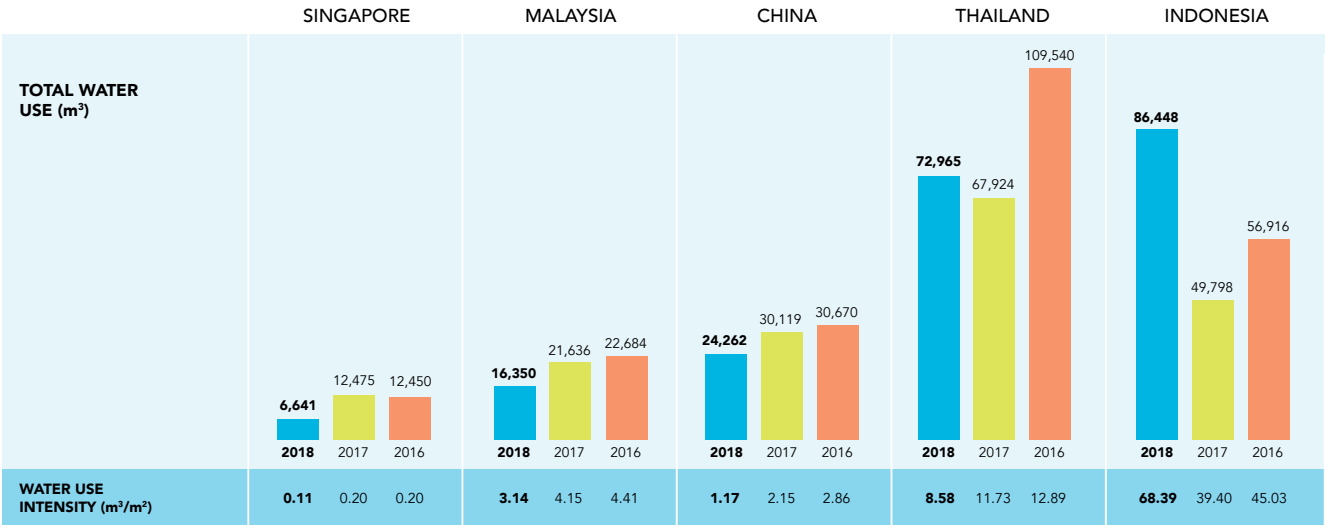
In Singapore, staff are encouraged to sort waste according to material type and to recycle material such as papers, cartons, cans and plastics by placing them in appropriate bins to aid the recycling effort. We are also continuing to look for alternative packaging to styrofoam for fish transportation but with little success thus far. We will, nonetheless, continue our efforts in earnest to source for new types of more environmentally sustainable packaging which will minimise our carbon footprint.

In Thailand, the reuse of plastic bags is encouraged with used plastic bags from the fish sourcing centres being sent back to the farms to be used again, thus cutting down 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, which manufactures high and low density polyethylene bags across a wide range of commercial and industrial sectors collects cut-out plastic wastage during the manufacturing process. This is sent to a third-party for recycling. The recycled plastic resin is added back to the manufacturing mix once again, thus cutting down tremendously on wastage. In FY 2018, a total of 145 tonnes of plastic wastage was recycled, an improvement from 141 tonnes recycled in FY 2017.



**ENVIRONMENTAL PERFORMANCE INDICATORS**





# Supply Chain Management

## Engaging Our Suppliers

We depend on our continued engagement and cooperation with our suppliers for us to effectively pursue sustainable practices. They are an integral part of our purchasing process and supply chain management which in turn is key to our long-term growth and sustainability.

We engage with our suppliers regularly, using various touchpoints. One of the most important points of contact is through regular meetings, which is 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.

We carefully select our suppliers based on track record. They are endorsed 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. These governing principles are communicated to them at the inception of our relationship.

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 2018, we engaged approximately 855 suppliers, as compared to 915 suppliers in FY 2017, 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 fish, 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
<b>Ornamental Fish</b>	487	<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 e.g. families</li> </ul>
<b>Accessories</b>	321	<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 e.g. families</li> </ul>
<b>Plastics</b>	40	<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>
<b>Aquaculture</b>	7	<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>

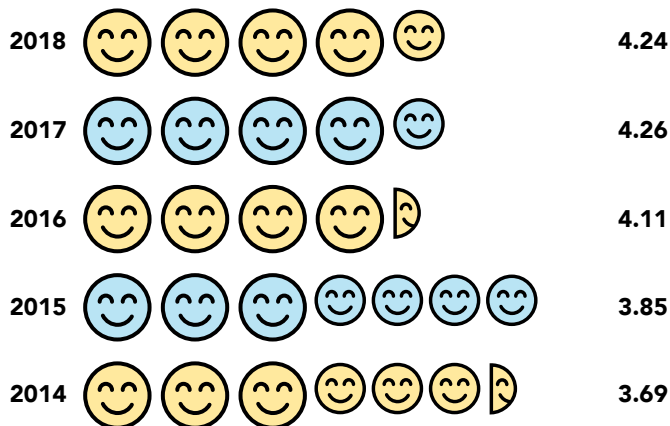
## Customer Satisfaction

We are committed to providing our customers with reliable service, high quality products and responsive after sales care. With a customer base spanning more than 80 countries and with the nature of our products, including mainly the distribution of ornamental fish and accessories, logistic issues like flight accessibility and connectivity are important components of timeliness of delivery and low DOA (dead-on-arrivals). With a wide distribution network, we are able to maintain a high level of efficiency in the delivery of our products.

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 and social media platforms and trade shows and exhibitions which we participate in. Additionally, we make regular customer visits and maintain open communication through face-to-face meetings, phone calls and emails to ensure their needs are met and their problems or difficulties attended to.

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.

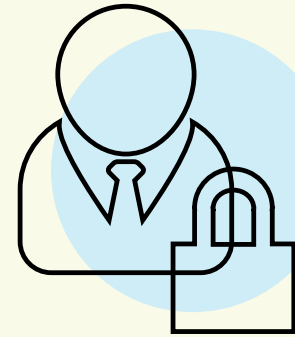
### CUSTOMER SATISFACTION INDEX



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



### CUSTOMER PRIVACY



Qian Hu takes 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 the management and safeguarding of 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 organisations in 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 2018.

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

## Product Health Management

### CONSUMER HEALTH & SAFETY

Consumer health and safety are of paramount importance to us. We carry more than 3,000 types of fish, aquarium, pet accessories and products which are exported and sold in more than 80 countries to a wide audience. As such, any non-compliance with health and safety issues will have far-reaching consequence, not only in terms of the well-being of our customers and the community at large, but also in terms of the damage 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. 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 a purveyor of a multitude of fish food, fish medication, pet accessories and other related products, we are mindful of providing accurate and adequate information about these products. In particular, we are transparent about the sustainability impacts of our products, through our labelling and other packaging information, in order for consumers to make informed choices and to encourage sustainable consumption for the good of the environment. Some of our products, such as our cat litter, already utilise environmentally-friendly material, such as 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 content on our labelling so as to provide necessary information for our customers to make the best choices for their pets and for the environment.

In FY 2018, to the best of our knowledge, there has been no incidents of non-compliance with regulations and voluntary codes concerning products and service information and labelling by type of outcomes.

### MARKETING COMMUNICATIONS

We uphold principles of responsible marketing and communications, effectively and accurately representing our brand, products and value propositions. All our marketing collateral 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.

Additionally, 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. We believe in responsible marketing and communications as non-compliance to these issues will result in loss of customer confidence and loyalty, and financial implications to Qian Hu's business. These factors are material to the success of our business, and we take a serious view of ensuring our product information is presented in a factually accurate manner.

For the year under review, 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

An innovative spirit is what drives Qian Hu and enables 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 permeates all ranks of our organisation and we encourage new ideas and feedback.



In FY 2018, the spirit of innovation was alive and well in Qian Hu and we are happy to report the following breakthroughs in our product segments.

<b>Ornamental Fish</b>	<ul style="list-style-type: none"> <li>• New generation of Albino Arowana - the 4th generation of Albino Silver Arowana exhibits improvement on its overall colours, from its eyes to its scales.</li> </ul>
<b>Aquarium Accessories</b>	<ul style="list-style-type: none"> <li>• Arowana Genesis Tank - True full view tank design with special Anti-backflow device</li> <li>• Spectra Koi LED light - Specially formulated light spectrum beneficial for enhancing the body colors of Koi fishes</li> <li>• Variable Frequency Water Pumps- Super energy efficient high flow rate water pumps</li> <li>• Hydra PRIME water purification system - For large scale applications, especially for koi pond systems</li> </ul>
<b>Pet Accessories</b>	<ul style="list-style-type: none"> <li>• Aristo-Cats® Premium Plus Tuna Series Can Food, wet cat food using the freshest raw materials in nine choice combinations</li> <li>• Aristo-Cats® Tofu Cat Litter using tofu is environmentally friendly, biodegradable and toilet flushable, with ability to absorb liquid up to three times its weight</li> <li>• Bark® Pet Sheet has better absorption capabilities, effective odour removal and anti-bacterial properties</li> </ul>

### OUR PAST SUCCESSES

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 Quarantine Tanks with Automated Water Recirculation System
- Early innovation in Arowana pellet feed
- Large-scale Arowana Tank System



# Labour Practices & Conducive Workplace

## Our Human Resource Philosophy

We embrace the philosophy of “People First” as we recognise that at the heart of our organisation and in our efforts to continue to be a leader in our industry, our human resource is our greatest asset. We have been recognised as a People Developer and have been 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 so as to ensure 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 to imbue a spirit of creativity and adventure in their work.

## Anti-Corruption

Qian Hu respects all prevailing anti-corruption legislation in all the markets in which we operate. We adopt a zero tolerance approach to any form of bribery and corruption and will not hesitate to take all necessary action against any such acts. 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. 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 have a set of guidelines for our employees to comply with regarding the receipt and giving of gifts, entertainment, sponsorships and charitable contributions during the course of work. The guidelines are readily accessible on our Employee Portal.

In the financial year under review, we have not received any report of corruption or cases of suspected corruption.

## Corporate Values & Business Conduct

Unethical and unlawful behaviour can have far-reaching impact for our Group, both in terms of financial and legal consequences as well as in terms of brand reputation. As such, all employees have to abide strictly by our Code of Conduct and Business Ethics and strict 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.

## Upholding Human Rights

We are committed to upholding and supporting internationally-accepted human rights principles, including those related to child labour, forced labour and human trafficking. We are in compliance with the Singapore Prevention Against Human Trafficking Act 2014 (Chapter 45) and other prevailing legislation 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 by the Group or its subsidiaries in the reporting period under review.

### CODE OF BUSINESS ETHICS AND CONDUCT

- Zero-tolerance against corruption, fraud, insider trading, theft or bribery
- Compliance with the Company’s internal policies, including those relating to transparent accounting, appropriate disclosures, and internal controls
- Maintaining the Company’s policies around workplace health, safety measures that might endanger the life or safety of fellow employees
- Committed to fair and respectful working conditions without discrimination
- General code of conduct in terms of handling of Company property, assets and disclosure of information or trade secrets of the Company without permission



## Non-Discrimination & Diversity

We employ and provide development opportunities for people based on the necessary skills, experience and work ethics which will enable them 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 promulgated by the Tripartite Alliance for Fair Employment Practices ("TAFEP"), an alliance 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 full-time as well as part-time employees, 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 two 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 be limiting female or other minority engagement within our organisation.

Older workers represent another facet of a diverse workforce. To date, 14.0% 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.

In the financial year under review, we had no alleged or actual cases of discrimination raised.

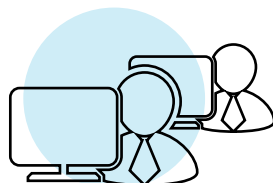
## Total of 507 employees as at 31 December 2018



**184**

based in Singapore.

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



**21.9%**

5 - 10 years of service

**27.8%**

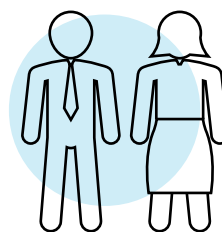
more than 10 years of service

**66.6%**

Male

**33.4%**

Female



**14.0%**

above 50 years of age

# Labour Practices & Conducive Workplace

## Workplace Safety

The health and safety of our employees is a key priority for Qian Hu. As such, we adhere strictly to all stipulated regulations and guidelines in the countries in which 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 staff 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.

Risk identification, monitoring and management is 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 staff 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 machine at our farm which enables our staff 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 farms including at our overseas operations. Regular fire drills and evacuation exercises are conducted in accordance with ISO1400:2015 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.



## Employee Engagement

We maintain open and ongoing channels of communication with our employees recognising that such platforms enable employees 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 and sustainability.

### FEEDBACK PLATFORMS

Various communication channels are maintained which allows us 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. It also allows management to monitor areas which need improvement.

A staff suggestion scheme is also in place for employees to provide ideas for improvement.

Senior management-staff dialogue sessions are held quarterly, across our subsidiaries, to promote better communication across all levels of the organisation. Employees are free during these sessions to ask questions, voice their concerns and grievances and provide suggestions. 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.

We 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. Since 2014, we have also been utilising a short messaging system ("SMS") to broadcast, in a quick and efficient manner, employee corporate activities, reminders on important initiatives or deadlines and other employee-related content. These SMS broadcast 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 so as to 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 2018, there were no known incidents of non-compliance with our Code of Business Ethics or whistle-blowing cases in Qian Hu.

### EMPLOYEE WELFARE

For the well-being of our employees, we organise various health and wellness programmes throughout the year. In Singapore, employees' health checks, recreational and activities, such as health cooking sessions and fitness programmes as well as monthly employee birthday celebrations were organised to foster bonding among the employees and to promote relaxation outside of work.

Our various subsidiaries overseas, likewise, have their own employee well-being programmes. For example, employees in our Guangzhou subsidiary had a recreation space created for them where they can rest, play games, such as table tennis and billiards, and watch television. Sports carnival, basketball competitions, Christmas events and employee retreats are some of the other activities organised for employees.

### EMPLOYEE SATISFACTION INDEX



4.57	2018
4.67	2017
4.57	2016
4.44	2015
4.44	2014

# Labour Practices & Conducive Workplace

## Training & Education

Employee training and education is a core component of our human resource initiative. We provide training and educational programmes to ensure our staff 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 remain 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 resource department to ensure that our employees' learning and development needs are adequately met. As compared to the national averages in most categories, in terms of participation rates and training intensity as defined by the Ministry of Manpower, Qian Hu's has met or exceeded these measurements.

## SUCCESSION PLANNING

Qian Hu takes a long-term view of growth. Business continuity is essential to ensuring a sustainable future. Towards this end, we have put in place a structured succession programme to prepare a team of executives to ably lead the Group into the future.

Our future leaders have been selected from management trainees who have been undergoing a rigorous leadership grooming process which involves job portfolio rotation and performance evaluation under exacting business environments. 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 future CEO will be selected by a Nominating Committee, supported with peer appraisals. It is a Group policy that the selection will be based purely on individual merit and capabilities with no preference given to family connections or any other non-meritocratic criteria.



Training budget is pegged at approximately

**4%**

of our total payroll

Each employee spent approximately

**24 hours**

on average in training in FY 2018





## PEOPLE PERFORMANCE INDICATORS

	SINGAPORE		MALAYSIA		CHINA		THAILAND		INDONESIA		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>EMPLOYEE PROFILE</b>												
<b>Total employees (number)</b>	<b>184</b>	<b>185</b>	<b>104</b>	<b>113</b>	<b>78</b>	<b>110</b>	<b>111</b>	<b>116</b>	<b>30</b>	<b>27</b>	<b>507</b>	<b>551</b>
<b>Employees by gender (number)</b>												
Male	123	125	69	75	40	57	81	86	25	24	338	367
Female	61	60	35	38	38	53	30	30	5	3	169	184
<b>Employees by age group (number)</b>												
Under 30 years old	34	33	41	48	29	48	48	53	10	11	162	193
30 to 50 years old	96	101	53	54	46	56	61	62	18	15	274	288
Over 50 years old	54	51	10	11	3	6	2	1	2	1	71	70
<b>Employees by educational qualification (number)</b>												
Degree and above	24	27	7	9	10	14	69	69	7	7	117	126
Diploma and equivalent	31	31	29	29	28	39	6	9	3	2	97	110
Secondary and below	129	127	67	74	33	53	36	38	20	18	285	310
Skill certificates	0	0	1	1	7	4	0	0	0	0	8	5
<b>Employees by employee category (number)</b>												
Key management	18	18	5	7	1	2	11	8	3	1	38	36
Middle management & Executives	42	41	25	26	16	51	16	14	0	3	99	135
Admin & Operational staff	124	126	74	80	61	57	84	94	27	23	370	380
<b>Employees by employment contract (number)</b>												
Permanent	184	185	104	113	78	107	111	116	30	27	507	548
- Full time	181	183	97	104	76	106	111	116	29	27	494	536
- Part time	3	2	7	9	2	1	0	0	1	0	13	12
Temporary	0	0	0	0	0	3	0	0	0	0	0	3
<b>Employees by length of service (number)</b>												
Less than 5 years	69	74	48	79	66	85	62	67	10	13	255	318
5 to 10 years	37	38	26	18	6	16	22	21	20	14	111	107
Over 10 years	78	73	30	16	6	9	27	28	0	0	141	126
<b>NEW HIRES</b>												
<b>Total new hires (number)</b>	<b>21</b>	<b>21</b>	<b>25</b>	<b>32</b>	<b>55</b>	<b>71</b>	<b>20</b>	<b>17</b>	<b>4</b>	<b>3</b>	<b>125</b>	<b>144</b>
<b>New hires by gender (number)</b>												
Male	15	16	20	23	34	34	17	14	2	2	88	89
Female	6	5	5	9	21	37	3	3	2	1	37	55
<b>New hires by age group (number)</b>												
Under 30 years old	10	13	14	23	28	41	16	17	0	3	68	97
30 to 50 years old	8	7	11	9	27	28	3	0	3	0	52	44
Over 50 years old	3	1	0	0	0	2	1	0	1	0	5	3
<b>TURNOVER</b>												
<b>Total turnover (number)</b>	<b>22</b>	<b>22</b>	<b>34</b>	<b>35</b>	<b>70</b>	<b>71</b>	<b>25</b>	<b>28</b>	<b>1</b>	<b>3</b>	<b>152</b>	<b>159</b>
Average monthly turnover rate (%)	1.0%	1.0%	2.7%	2.6%	7.5%	5.4%	1.9%	2.0%	0.3%	0.9%	2.5%	2.4%
<b>Turnover by gender (number)</b>												
Male	17	18	26	6	42	40	22	18	1	1	108	83
Female	5	4	8	29	28	31	3	10	0	2	44	76
<b>Turnover by age group (number)</b>												
Under 30 years old	9	13	21	22	41	41	21	19	1	3	93	98
30 to 50 years old	13	6	12	13	27	28	4	9	0	0	56	56
Over 50 years old	0	3	1	0	2	2	0	0	0	0	3	5



# Community Involvement

Embracing our role as a corporate citizen, we endeavour to contribute meaningfully to the communities and environment in which 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. In April, they visited the Lee Ah Mooi Old Folks Home and in November, the Ling Kwang Home for senior citizens. Aside from visits, we also hosted elderly from Xin Yuan Community Care on our farm.

Qian Hu was also a corporate donor to various charitable courses. We were one of the Participating Enterprises in the Children's Society corporate giving programme, "1000 Enterprises for Children-In-Need" ("1000E") which aims to transform the lives of beneficiaries under its care. We also donated to the SG Enable Fund, which assists disabled persons through various initiatives.

Our overseas subsidiaries were not to be outdone in the area of corporate giving. Our Malaysian subsidiary supported animal shelters by donating dog food while employees from our China subsidiary visited an old folks home.



## 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. Through our experiences and learnings, we can help improve business and operational practices and raise performance standards in our industry. Our Chairman and Managing Director, Mr Kenny Yap, is an active participant in business forums and panellist discussions, sharing best practices in our Business Excellence Journey. In FY 2018, he was invited by the Singapore Exchange Limited to be a panellist for an Corporate Governance event. He was also interviewed by the Fortune Magazine and served as a regular contributor to the major Chinese business daily, Lianhe Zaobao. He was a keynote speaker at the West Spring Secondary School and was a participant in a feedback group for a research project for Enterprise Singapore undertaken by Korn Ferry.

Our senior management team members are also actively engaged in various committees, and in sharing with others our business excellence journey. They played an active role in connecting with the broader industry ecosystem to share knowledge, network contacts, resources and best practices. In FY 2018, they conducted five sharing sessions with about 240 participants in attendance. In addition, Qian Hu offers internships to various polytechnics in Singapore throughout the year.

Through these platforms, we believe that we can add value to the business community by sharing our entrepreneurial and industry experiences.



In FY 2018, Qian Hu has committed more than **164 hours** on community initiatives



## Investor Relations

A key responsibility as a listed entity is to communicate our financial performance, business strategies and other relevant corporate information in a timely, transparent and accurate manner to our stakeholders, especially our shareholders, and the investment community at large. 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. The numerous Corporate Awards we have garnered bear testament to our efforts in this area. Furthermore, our scores over the years in the Singapore Governance and Transparency Index, the leading index for assessing corporate governance practices of Singapore-listed companies, have placed us in the top tier of the rankings.

We are committed to ensuring that our quarterly unaudited financial results are released expeditiously, within 20 days from the end of each quarter and our audited financial results within 15 days from the financial year end. We have, in fact, bettered our target for the past five years by releasing our audited results within an average of 12 days after the end of the financial period. Our results announcements are accompanied by press releases in both English and Chinese, and summarising the highlights of the results and the explanation behind the Group's performance. For the full-year results, we equip the investors public with a "mini annual report" which is a compilation of the financial and related materials for the year such as the message from our Chairman, press releases, presentation slides and financial statements. All our results and material announcements are posted on the SGXNET, which is accessible to the public.

A key component of our shareholder communication is the Annual General Meeting ("AGM"). We have developed several channels, including our website, email or fax, for shareholders who are unable to attend the AGM to contribute their feedback or give inputs. Detailed minutes of the AGM are posted on the Group's website and on the SGX website within three business days of the meeting.

Ongoing communication with the investment community is a cornerstone of our investor relations programme. Briefings by senior management for analysts, fund managers and media are held twice yearly, together with the release of our half-year and full-year results. Senior management presents the results in a coherent manner, with a PowerPoint presentation that elucidates the Group's performance. Delayed webcasts are also available for those unable to attend the briefing. These facilitate impartial, insightful and accurate reports on the investment merits of Qian Hu for the investing community and the general public.

Meetings and communication are not confined to these briefings. Outside of the financial announcement periods, when necessary and appropriate, our Chairman meets 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 given on pertinent topics and to share the Group's strategies, new corporate developments or industry trends with the wider community.

Additionally, we maintain an open and easily accessible channel for investor queries through a dedicated investor relations email address. 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 minutes of the AGM. Our investor relations team ensures timely responses to queries, suggestions and clarifications from shareholders and other stakeholders, which goes a long way towards building trust and confidence in the Group.

### FINANCIAL CALENDAR

#### FY 2018 FY 2019

12 Jan	11 Jan	• Full-year Results Announcement • Media & Analyst Briefing
28 Feb	28 Feb	• Despatch of Annual Report
28 Mar	28 Mar	• Annual General Meeting
16 Apr	17 Apr	• 1Q Results Announcement
25 Apr	25 Apr	• Payment of dividend (Subject to Shareholders' approval at AGM)
16 Jul	17 Jul	• 2Q Results Announcement • Media & Analyst Briefing
16 Oct	16 Oct	• 3Q Results Announcement



Mr Kenny Yap, Executive Chairman and Managing Director, received the "Best Annual Report Award – Gold" at the Singapore Corporate Awards 2018.