

Sustainability Report

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Sustainability Report

INTRODUCTION

As we publish Qian Hu Corporation Limited's ("Qian Hu") 14th annual sustainability report this year, we reaffirm our steadfast commitment to embedding sustainability across all facets of our business since the launch of our first report in FY 2011.

Our Sustainability Report 2024 ("Report") outlines our sustainability strategies, priorities and performance, providing insights into how we integrate environmental, social and governance ("ESG") considerations into our operations and decision-making processes. The Report complements the financial and risk-related disclosures in our Annual Report 2024, offering a holistic perspective on how Qian Hu strives to create enduring value while advancing environmental stewardship and fostering better livelihoods for the communities we serve.

This Report covers ESG initiatives and data from our operational markets – Singapore, Malaysia, China, Thailand, and Indonesia – unless specified otherwise. All financial data is reported in Singapore dollars for the year 1 January 2024 to 31 December 2024 ("FY 2024"). No significant changes occurred in our business sectors, value chain, or key relationships during the reporting period.

At Qian Hu, we prioritise transparency and comparability in our sustainability disclosures, reflecting our commitment to meaningful accountability. This Report has been prepared with reference to SGX-ST Listing Rules 711A & 711B and Practice Note 7.6 of the Sustainability Reporting Guide and follows the internationally recognised Global Reporting Initiative ("GRI") Standards 2021 framework. Additionally, it draws on the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") and aligns our initiatives with relevant United Nations Sustainable Development Goals ("UN SDGs").

The GRI Standards 2021 framework was selected as the foundation for this Report due to its comprehensive structure and relevance across material sustainability topics, enabling us to engage effectively with stakeholders and convey our performance and progress in sustainability.

This Report has not undergone external assurance. Instead, we relied on internal verification processes to ensure the accuracy and integrity of data relating to the selected ESG factors. As we continue to enhance our sustainability reporting framework, we are committed to progressively strengthening our internal review processes and exploring external assurance in future reporting cycles, as appropriate.

We value your feedback as it plays a crucial role in shaping and enhancing our sustainability practices and reporting efforts. If you have any comments, questions, or insights regarding this Report, we invite you to share them with us at feedback@qianhu.com.



MESSAGE FROM OUR BOARD

Dear Stakeholders,

2024 has been a defining year for Qian Hu as we continued our journey of sustainability amidst a complex global environment. In this 14th Sustainability Report, we outline the year's key milestones, as well as our ongoing commitment to making a difference in our businesses.

The Group has embarked on transformative initiatives to strengthen our commitment to environmental stewardship this year, while nurturing a culture of excellence and inclusivity.

Tracking Towards A Low-Carbon Future

Recognising the urgent need for climate action, we conducted our maiden Climate Scenario Analysis ("CSA") this year to better understand the potential impact of climate change on our businesses. These climate-related challenges require proactive measures such as investments in technology and infrastructure to mitigate any operational impact.

For instance, rising temperatures from heatwaves and chronic increases in air temperatures could elevate operational costs through higher cooling demands, water regulation and aeration for fish health. Rising sea levels or riverine flooding may damage infrastructure, increase maintenance costs and threaten freshwater supplies. The market shift toward eco-friendly products might also result in higher capital costs for new machinery and biodegradable materials, while the transition to zero-emission technologies could be capital-intensive and operationally disruptive.

The CSA is therefore designed to guide and inform our strategic planning, enhance our resilience and ensure we remain agile and well-prepared to address emerging climate challenges for overall business continuity.

Furthermore, we are well aligned with the recommendations of the TCFD by monitoring and reporting to include Scope 1, 2 and 3 greenhouse gas emissions. This underscores our comprehensive approach to decarbonisation, allowing us to identify opportunities for reducing emissions throughout our value chain and setting evidence-based targets for a low-carbon future.

In our Aquaculture and Ornamental Fish sectors, we have also continued to innovate and lead. Our sustainable breeding practices have been bolstered by continued investments in technology and research such as the eco-friendly Aqua-Ring Technology systems, which enable us to improve operational efficiency as we minimise environmental impact.

Collaborating For A Better Future

We inked a partnership with local firm N&E Innovation during the year, marking a key milestone in Qian Hu's commitment to sustainability and innovation. N&E innovations patented antimicrobial technology addresses critical challenges in pet care by offering a safer, eco-conscious alternative to traditional disinfectants.

Designed to effectively eliminate harmful bacteria and viruses without harsh chemicals, this technology not only improves animal welfare but also equates to less chemical usage.

This forward-thinking collaboration enables Qian Hu to improve our operational efficiency while minimising environmental impact and align our practices with global demands for more sustainable, eco-friendly practices. We intend to incorporate this technology into our Pet Accessories business as a start, with a view to further expand its benefits across our other product lines in time to come.

This year, the introduction of new leadership has also been a pivotal moment for Qian Hu. Under the stewardship of our Executive Chairman and CEO, Mr Yap Kok Cheng, and the senior management team, we have embraced fresh perspectives and strategies that align with our long-term vision. We are hopeful that our renewed focus on innovation, collaboration and resilience will propel Qian Hu into the next phase of sustainable growth and global competitiveness.

Nurturing Our People, Our Core

At the heart of our success is our people. Qian Hu's culture is built on respect, inclusivity and empowerment, creating an environment where employees thrive and excel. This year, we have deepened our investment in talent development by providing training programmes and initiatives that foster a culture of continuous improvement.

With a focus on developing leadership skills, encouraging innovation and promoting well-being across teams, we firmly believe that our employees' creativity and passion are key to driving meaningful change within our organisation and beyond.

We also take pride in fostering a culture that values diversity and collaboration. By promoting open communication, teamwork and shared accountability, we cultivate a sense of belonging that inspires our people to contribute to both our business success and the communities we serve.

As we reflect on the progress made in FY 2024, we remain deeply committed to addressing the evolving needs of all our stakeholders, including employees, customers, investors and communities. By aligning our actions with their expectations, we aim to create long-term value and drive positive change that extends beyond our organisation. Moving forward, Qian Hu will continue to lead with purpose, innovate with integrity and champion sustainability to deliver meaningful outcomes for all.

Sincerely,

The Board of Directors
Qian Hu Corporation Limited

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OUR APPROACH

Structuring Our Governance Framework

Qian Hu has established a robust governance framework to steer, oversee and manage our sustainability efforts, ensuring that material ESG topics are seamlessly integrated into our corporate agenda. This framework underpins our commitment to safeguarding long-term interests and delivering value to our stakeholders.

Our **Board of Directors** holds ultimate responsibility for shaping and overseeing the Group's sustainability strategy and reporting. The Board regularly reviews our sustainability direction, including our approach to climate change, aligning with our overall business strategy while considering current trends, economic conditions, and geopolitical factors that may impact the Group. Updates on sustainability initiatives and progress are provided to the Board on a regular basis, with an annual review of the sustainability strategy to ensure relevance and effectiveness.

The Board is supported by the **Sustainability Committee** which is chaired by the Executive Chairman and CEO. This Committee leads the Group's sustainability initiatives, including establishing performance benchmarks and key performance indicators to measure progress effectively.

The Sustainability Committee is further supported by the **Sustainability Reporting Team**, comprising representatives from each operating entity, where each is responsible for specific sustainability reporting roles. This core team plays a pivotal role in implementing and managing ESG initiatives across the Group. By collaborating on sustainability projects and sharing best practices, the team ensures alignment and drives meaningful progress in the Group's sustainability programmes.

ESG Governance Structure



BOARD OF DIRECTORS

Reviews sustainability strategy and provides oversight of sustainability direction, including climate change agenda



SUSTAINABILITY COMMITTEE

(Chaired by Executive Chairman and CEO)

Identifies key sustainability areas, sets targets and incorporates performance indicators



SUSTAINABILITY REPORTING TEAM

(Representatives from each operating entity)







Manages execution of sustainability policies, initiatives and programmes

Engaging with Our Stakeholders

Our stakeholders are individuals or entities significantly impacted by our activities, products and services. Regular and meaningful engagement with them allows us to understand their expectations and concerns, ensuring that we align our business priorities with shared interests while driving our ESG initiatives forward. These interactions also help us identify new opportunities inspired by their feedback.

For each stakeholder group, we have identified key issues and established dedicated engagement platforms to foster open communication. In FY 2024, our stakeholder engagement approach revealed no significant negative impacts resulting from our business activities or operations on any stakeholder group.

Approach to Stakeholder Engagement

Key Stakeholders	Engagement Methods	Interests and Concerns	Our Responses
Customers 	<ul style="list-style-type: none"> • Site visits and/or meetings • Social media platforms • Trade fairs/exhibitions • Feedback through emails and phone calls 	<ul style="list-style-type: none"> • Customer satisfaction • Quality products and services • Product pipeline • Sustainability efforts • Customer data privacy 	<ul style="list-style-type: none"> • Feedback platforms available – active listening • Good customer service and prompt resolution of feedback • Product training • Professional and ethical standards in business conduct • Strong data security
Suppliers 	<ul style="list-style-type: none"> • Site visits and/or meetings • Feedback through emails and phone calls • Vendor evaluation and assessments 	<ul style="list-style-type: none"> • Product quality assurance • Supply chain management • Fair payment terms 	<ul style="list-style-type: none"> • Supplier Code of Conduct • Vendor selection process • Pilot programmes to share best practices to support and empower local farmers
Employees 	<ul style="list-style-type: none"> • Performance appraisal discussions • Half-yearly staff dialogue and sharing sessions • Mobile-based chat groups • Regular floor walks • Annual employee opinion surveys • Bi-annual “Fish Matrix” in-house newsletters 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Employee engagement • Talent retention • Workplace health and safety • Training and career development • Mutual trust and respect 	<ul style="list-style-type: none"> • Fair and progressive human resource policy • Training opportunities and career development • Talent management and succession planning • Employee bonding sessions • Healthcare and Employee Assistance Programme • Whistle blowing policy
Community 	<ul style="list-style-type: none"> • Community engagement programmes • Sustainability reporting 	<ul style="list-style-type: none"> • Good corporate citizenship • Positive impact on the environment 	<ul style="list-style-type: none"> • Educational farm tours • Employee community programmes and initiatives • Business community interactions and sharing sessions
Investors 	<ul style="list-style-type: none"> • Corporate website • Annual Reports • SGXNET announcements • Annual General Meetings (“AGM”) and AGM minutes • Sustainability Reports • Investor Relations emails and Q&A • Media releases and interviews 	<ul style="list-style-type: none"> • Financial performance • Stable growth and sustainable returns • Strong corporate governance and transparency • Risk management practices • Sustainability efforts 	<ul style="list-style-type: none"> • Competent Board and management • Financial prudence • Robust corporate and risk governance structure • Timely reporting and disclosure
Regulators 	<ul style="list-style-type: none"> • Official circulars • Email correspondences • Seminars and conferences • Dialogue and feedback sessions 	<ul style="list-style-type: none"> • Ethical and regulatory compliance • Environmental and social impact 	<ul style="list-style-type: none"> • Compliance with regulatory requirements and guidelines • Strong governance and controls over operational and financial risks • Regular communications and participation in dialogue with government agencies and regulators on statutory requirements and new developments

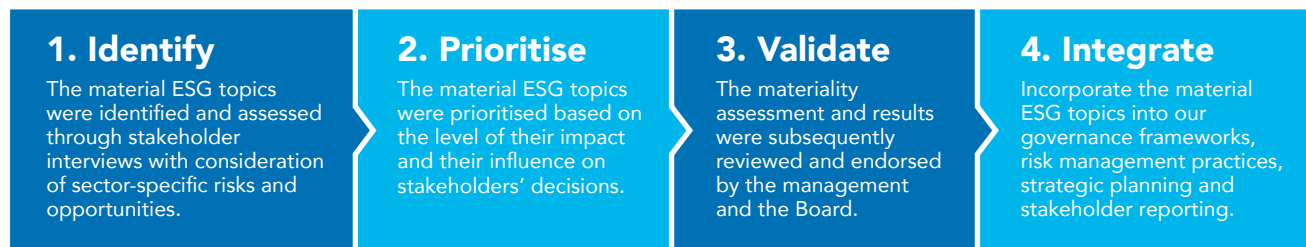
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Assessing Our Materiality and Identifying ESG Topics

In FY 2022, Qian Hu conducted a comprehensive materiality assessment workshop to identify key areas of significance across economic, environmental, social and governance dimensions. These areas of concern were aligned with material topics under the GRI Standards 2021 and relevant UN SDGs, then prioritised based on their impact on the business and stakeholders' decision-making processes.

The management team validated these material topics and their prioritisation before presenting them to the Board. Following a review and refinement process incorporating feedback from the directors, the Board approved the final list of material topics for inclusion in the Sustainability Report.

Our approach to materiality is 4-pronged:



In alignment with the International Sustainability Standards Board ("ISSB") Sustainability Disclosure Standards, which are endorsed by the Monetary Authority of Singapore ("MAS"), Singapore Exchange ("SGX") and Accounting and Corporate Regulatory Authority ("ACRA"), we assess ESG issues that are material to Qian Hu. This includes considering both financial and non-financial information, such as the impact of climate-related risks and opportunities.

We have identified 12 ESG topics that are most relevant to our business operations and stakeholders. These topics are reviewed annually to ensure they remain aligned with the evolving global, economic, and business landscape. Given the stability of our business model, the material topics remain consistent with those reported in FY 2023.










We are committed to regularly re-evaluating these topics through ongoing stakeholder engagement. This approach ensures we capture diverse perspectives and focus our sustainability efforts on the areas that matter most to our business and our stakeholders.

The materiality matrix below shows the ESG topics identified and their prioritisation based on how these would impact the Group and stakeholders' decisions.











Our Performance Against Targets



The table below highlights how we have mapped our material ESG topics to selected UN SDGs, relevant GRI Topic Standards where applicable, as well as our FY 2024 performance against targets.

Material ESG Topics	UN SDGs	GRI Topic Standards	FY 2024 Performance	Commitments and Targets
Climate Change <ul style="list-style-type: none"> • Energy and Emissions • Water Management • Waste Management <p><i>Climate action is a business imperative. We need to address and manage the impact of climate change on our business.</i></p>	  	<ul style="list-style-type: none"> • GRI 302: Energy • GRI 303: Water and Effluents • GRI 305: Emissions • GRI 306: Waste 	<ul style="list-style-type: none"> • Energy consumption – 5,718 MWh (2023: 5,725 MWh) • Energy use intensity – 30 kWh/m² (2023: 35 kWh/m²) • Water consumption – 212,923 m³ (2023: 219,976 m³) • Water use intensity – 1.12 m³/m² (2023: 1.36 m³/m²) • Plastic waste recycled – 91 tonnes (2023: 96 tonnes) • Greenhouse gas (“GHG”) Emissions Scope 1 and Scope 2 – 3,488 tCO₂e (2023: 3,499 tCO₂e) • Scope 3 – 56,359 tCO₂e (2023: 55,028 tCO₂e) 	<p>For Energy and Water (Baseline Year – FY 2020):</p> <ul style="list-style-type: none"> • Short-term Target (by FY 2025) – Reduction of 10% • Medium-term Target (by FY 2028) – Reduction of 12% • Long-term Target (by FY 2035) – Reduction of 15%
Animal Welfare <p><i>We deal with livestock and are responsible for keeping animal welfare in mind and maintaining the well-being of animals under our care.</i></p>	 	<ul style="list-style-type: none"> • GRI 13.11: Animal Health and Welfare 	<ul style="list-style-type: none"> • Average monthly in-house fish loss rate at 6% (2023: 5%) 	<ul style="list-style-type: none"> • Maintain an in-house fish loss rate of not more than 5%
Biodiversity <p><i>We are conscious of our business activities’ impact on ecosystems and habitats.</i></p>	 	<ul style="list-style-type: none"> • GRI 304: Biodiversity 	<ul style="list-style-type: none"> • To the best of our knowledge, there were no reported incidents of significant impacts on biodiversity in the areas where we operate 	<ul style="list-style-type: none"> • Operate in accordance with all laws and regulations, and strive to minimise any impacts on biodiversity in the areas where we operate
Training and Development <p><i>We continuously identify and groom talent in our niche sector to ensure that the Group is well-positioned to fulfil its business objectives and move towards long-term sustainable growth.</i></p>	 	<ul style="list-style-type: none"> • GRI 404: Training and Education 	<ul style="list-style-type: none"> • Average of 15.6 training hours per employee (2023: 13.2 training hours) 	<ul style="list-style-type: none"> • Average of 16 training hours per employee per year

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Our Performance Against Targets (Cont'd)

Material ESG Topics	UN SDGs	GRI Topic Standards	FY 2024 Performance	Commitments and Targets
Health and Safety Our operating environment requires us to pay utmost attention to the health and safety of our employees. Disregarding health and safety aspects can have detrimental effects on the organisation and the well-being of our employees and customers.	  	<ul style="list-style-type: none"> • GRI 403: Occupational Health and Safety • GRI 416: Customer Health and Safety • GRI 417: Marketing and Labelling 	<ul style="list-style-type: none"> • Zero fatalities and one reportable workplace accident • No instances of non-compliance with regulations and voluntary codes related to products and service information 	<ul style="list-style-type: none"> • Zero fatalities and workplace accidents across operations in all business locations • Assess our accessories products for health and safety impacts through quality checks and supplier labels
Customer Satisfaction Our customers are crucial to our long-term sustainability. We provide our customers with high-quality goods, dependable service and attentive after-sales support. We are also committed to having strong data privacy and security policy.		<ul style="list-style-type: none"> • GRI 418: Customer Privacy 	<ul style="list-style-type: none"> • Dead-On-Arrival rate for fish sales at 2% (2023: 2%) • Zero incidents of non-compliance with Personal Data Protection Act ("PDPA") 2012 	<ul style="list-style-type: none"> • Continue to enhance customer satisfaction level with improved service and quality products • Uphold the highest standards of customer data privacy protection • Maintain the Dead-On-Arrival rate for fish sales of not more than 3%
Innovation To meet the evolving needs of our customers, innovation is crucial to staying relevant and maintaining our leadership in our business sectors.		–	<ul style="list-style-type: none"> • 23 new products were launched (2023: 13) <ul style="list-style-type: none"> - Aquarium Accessories: 8 - Pet Accessories: 15 	<ul style="list-style-type: none"> • Develop more than 10 new products per year
Supply Chain Management We need to maintain a reliable and sustainable supply chain to minimise potential disruptions to our business operations.	  	–	<ul style="list-style-type: none"> • Communicated our "Supplier Code of Conduct" to suppliers 	<ul style="list-style-type: none"> • Drive responsible business practices across the supply chain

Material ESG Topics	UN SDGs	GRI Topic Standards	FY 2024 Performance	Commitments and Targets
Business Ethics <i>We uphold the highest ethical standards and conduct our business in compliance with all relevant laws and regulations.</i>		<ul style="list-style-type: none"> GRI 205: Anti-corruption 	<ul style="list-style-type: none"> No known cases of non-compliance with relevant laws and regulations No incident of whistle blowing Half-year results (unaudited) released on 19 July 2024 and full year results (audited) released on 15 January 2025 "Best Risk Management – Silver" award at the Singapore Corporate Awards 2024 	<ul style="list-style-type: none"> Zero-tolerance on corruption and fraud Whistle blowing procedures Commitment to release financial results no later than 20 days from the half-year end (unaudited results) and 15 days from the financial year end (audited results) Continuous strengthening of the enterprise risk management framework
Economic Performance <i>Our internal and external stakeholders expect us to deliver stable and sustainable financial performance and value-added contribution.</i>		<ul style="list-style-type: none"> GRI 201: Economic Performance 	<ul style="list-style-type: none"> Group Revenue – \$71.4 million (2023: \$70.3 million) EBITDA - \$3.9 million (2023: \$(5.6) million) Profit (Loss) attributable to the owners of the Company – \$0.4 million (2023: \$(9.3) million) Earnings (Loss) per share – 0.31 cents (2023: (8.17) cents) Net assets per share – 35.04 cents (2023: 34.79 cents) Final dividend of 0.4 cents per share – totalling approximately \$454K (2023: 0.3 cents) (See pages 30 to 40 of this report for further details) 	<ul style="list-style-type: none"> Revenue and profit growth New business initiatives Sustainable dividend payout Prudent capital management
Non-Material ESG Topics				
Diversity and Equality <i>Qian Hu inevitably has more male employees in our operational team due to the industry's workforce demographics and the nature of our operations. We acknowledge the circumstances and will continue to practise inclusive hiring and strive to develop a diverse talent pool where feasible.</i>				
Community Engagement <i>We have been actively involved in societal and community contribution efforts since our early days. We will continue with our commitment in giving back to local communities through various channels.</i>				

For a detailed breakdown of our FY 2024 performance and targets on the respective material ESG topics, please refer to pages 58 to 76 of this Annual Report.

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CHARTING IMPACT FOR OUR PLANET

Driving impactful environmental efforts to protect our resources and ecosystems.

We believe that preserving the balance of our environment begins with intentional action. From reducing our carbon footprint to innovating resource-efficient practices, Qian Hu is dedicated to protecting the ecosystems that support our businesses and our communities. By focusing on impactful, measurable initiatives, such as minimising our water and energy footprint and cutting waste, we are charting a long-term sustainable course that nurtures both our operations and our natural surroundings.

Our Decarbonisation Efforts

Recognising the profound impact of climate change on the environment and society, Qian Hu actively mitigates potential effects across our operations while striving to enhance climate resilience and ensure sustainable growth.

• TCFD Risk Management and Implementation Roadmap

Since adopting the TCFD framework in FY 2022, we have been dedicated to strengthening our business resilience in response to climate change. The Group has taken a phased approach to studying, identifying, analysing and addressing climate-related risks and opportunities, along with their implications for our business.

FY 2022 was our first-year reporting on these climate-related disclosures, where we described the governance structures and the processes for identifying and managing climate-related risks, and identified the risks and opportunities, and mitigating actions brought by global climate change.

In FY 2023, we further categorised and assessed the potential impacts of the climate-related risks and opportunities identified over the short (within 2 years), medium (3 to 5 years) and long term (beyond 5 years) which are relevant to the Group.

We have also disclosed our Scope 1 and Scope 2 GHG emission data in FY 2022 and selected Scope 3 GHG emission categories, with the respective measurement methodology, in FY 2023.

This year, we dive deeper into the formulation of business strategy and financial planning related to the identified climate-related risks. This includes a qualitative climate scenario analysis ("CSA") and the full integration of climate-related risks into our overall organisation risk management framework.

Looking ahead, we will advance our efforts by incorporating quantitative climate scenario analysis to assess climate-related impacts and setting actionable targets in subsequent years.

The TCFD with 11 recommended disclosures across four pillars, namely governance, strategy, risk management, metrics and targets, is set out on pages 82 to 84 of this Annual Report.

• 1st Climate Scenario Analysis

In FY 2024, we engaged a third-party consultant to conduct our first qualitative CSA, covering all our business segments and assets across the five countries where we operate.

Based on an initial review of our existing climate-related disclosures, climate models, transition trends and peer practices, we carried out a risk assessment by identifying the potential risks and opportunities. We then evaluated each risk and opportunity through an Enterprise Risk Management ("ERM") framework, considering their potential business and financial impact.

Throughout the process, we engaged our key stakeholders extensively to gather climate insights across our operations and align with business priorities. Our Board and senior management have reviewed and validated the findings to guide decision making and ensure our strategies are aligned. The outcomes are then recorded in a risk register for future updates and reviews.

We identified four physical risks and two transition risks across two scenarios and three time horizons, with potential implications on our financial performance and operations. This analysis, alongside our progress in FY 2024, has strengthened our alignment with sustainability reporting requirements such as the ISSB Sustainability Disclosure Standards. In addition, the CSA has provided senior management with valuable insights to refine our business strategy in response to these risks.

This qualitative CSA identified key climate-related risks and opportunities with potential impact, which we further evaluated for their business and financial effects. Detailed parameters, key risks, opportunities and their implications are summarised in the tables below.



Parameters	
Climate scenarios	Below 2°C (RCP 2.6) and 4°C (RCP 8.5)
Time horizons	Short-term (2030), Medium-term (2050) and Long-term (2100)
Types of climate risks ¹	Physical and Transition risks
Coverage scope	Singapore, Malaysia, China, Thailand, Indonesia
Property type	Farms, Factories, Retail Outlets, Offices, etc.
Business segments	Fish, Accessories and Plastics

¹ Physical risks refer to acute or chronic risks related to the physical impacts of climate change, and transition risks refer to risks related to the transition to a lower carbon economy.



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Climate-Related Risks and Potential Implications

Risk type	Risk description	Affected time horizon
Physical Risk		
 <p>Heatwave (Acute)</p>	<ul style="list-style-type: none"> • Rising mean air temperatures from heatwaves may drive higher cooling demands for indoor facilities, leading to increased operating costs. • Heatwaves can significantly raise water temperatures, threatening fish health and livestock mortality, which could elevate operational costs for temperature regulation and reduce revenue. 	<ul style="list-style-type: none"> • 2050
 <p>Mean Air Temperature (Chronic)</p>	<ul style="list-style-type: none"> • Chronic increases in mean air temperatures may drive higher cooling demands for indoor facilities, leading to increased operational costs. • Chronic increases in mean air temperatures may contribute to ocean stratification and harmful algal blooms in warmer surface waters, increasing operational and capital costs for water filtration, replacement and cleaning. • Chronic increases in mean air temperatures may elevate fish metabolic rates, reducing dissolved oxygen and increasing waste production, leading to higher operational costs for pond maintenance and aeration systems. 	<ul style="list-style-type: none"> • 2100

Potential implications	Resilience measures
<ul style="list-style-type: none"> • Reduction in revenue due to interrupted business activities (such as logistics delay and supply chain disruption) with the increase in frequency and intensity of extreme weather events. • Reduction in revenue due to lower breeding output caused by adverse and unprecedented weather conditions. • Higher operating and capital costs for repair works and/or the need to equip with more climate-resilient infrastructure as a result of damage to facilities. • Prolonged high temperatures may decrease the availability of oxygen in the water, impacting the fish's health and ultimately the survival and quality of these fish. 	<ul style="list-style-type: none"> • Actively improve roof insulation to mitigate the heatwaves and rising air temperatures, which in turn safeguards our water temperature and fish health. • Use of Artificial Intelligence ("AI") and Internet of Things ("IoT") technologies, such as AquaEasy, to monitor critical parameters like dissolved oxygen, water pH and fish behaviour. Real-time monitoring mitigates heatwave risks by maintaining optimal water conditions, reducing fish stress and preventing mortality. Also enables swift responses to temperature changes to ensure operational stability. • Multi-Tier Automated Recirculation Holding Tanks across our farms enable efficient water recycling and stable water temperatures. Reduces our operational costs and enhances our resilience against chronic warming conditions by minimising daily water changes. • Utilises the Aqua-Ring Technology ("ART") system at our Singapore farm – an innovative zero-discharge technology which boosts biosecurity, operational efficiency and fish yields while addressing rising temperatures.
<ul style="list-style-type: none"> • Greater use of cooling, water filtration and aeration, may lead to rising operational costs across multiple systems, strain financial resources or impact profitability. • Frequent use of cooling equipment or improved aeration or filtration systems may cause greater wear and tear, leading to higher capital investment due to infrastructure upgrades. • Greater environmental and regulatory pressures could drive the need for sustainable solutions, requiring stricter compliance measures and more potential investments to comply. 	<ul style="list-style-type: none"> • Use of Recirculating Aquaculture Systems ("RAS") to recycle water efficiently and maintain consistent water quality, even with extreme temperatures. Featuring advanced filtration and aeration technologies to minimise ammonia build-up, ensuring optimal conditions for fish health, resulting in cleaner water and promotes stable fish health, particularly under high-temperature stress. • Use of ultraviolet sterilisation and filtration technologies in our water management systems to maintain water quality, remove waterborne pathogens and prevent harmful algal blooms, which are more likely at higher water temperatures. • Use of bacterial nitrification to improve water quality by reducing ammonia and nitrate levels while increasing dissolved oxygen, supporting fish health even with higher metabolic rates from elevated water temperatures. • Conduct regular maintenance of machinery and equipment to ensure maximised operational efficiency. • Actively raise employee awareness of energy consumption and integrate sustainability goals into our daily operations. Includes thoughtful measures such as turning off air conditioning and fans when not in use to minimise energy waste associated with cooling.

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Climate-Related Risks and Potential Implications (Cont'd)



Risk type	Risk description	Affected time horizon
Physical Risk		
 Sea Level (Chronic)	<ul style="list-style-type: none"> Rising sea levels may cause coastal erosion, undermining infrastructure foundations and altering site accessibility, which could lead to costly repairs, reinforcements, or relocations, increasing capital costs. Rising sea levels may cause saltwater intrusion into aquifers and rivers, jeopardising freshwater supplies for Qian Hu's farm operations and potentially raising water prices, leading to higher operational costs. 	<ul style="list-style-type: none"> 2100
 Riverine Flooding (Acute)	<ul style="list-style-type: none"> Riverine flood events may damage infrastructure and compromise building structures, leading to costly repairs. Riverine flood events may damage machinery, equipment and electrical systems, resulting in operational downtime, reduced revenue and increased maintenance and repair costs. 	<ul style="list-style-type: none"> 2100
Transition Risk		
 Market	<ul style="list-style-type: none"> A market shift toward eco-friendly products, especially among climate-conscious consumers, may threaten the commercial viability of plastic bags. Could lead to increased capital costs for investing in new machinery and biodegradable raw materials. 	<ul style="list-style-type: none"> 2050 2100
 Technology	<ul style="list-style-type: none"> An accelerated shift towards zero-emission technologies and decarbonisation may require Qian Hu to continually upgrade, invest in R&D and adopt new energy-efficient technologies. Can be capital-intensive and operationally disruptive, leading to increased capital and operational costs. 	<ul style="list-style-type: none"> 2050 2100

Potential implications	Resilience measures
<ul style="list-style-type: none"> • Infrastructure reinforcements, repairs, or potential relocation to mitigate the effects of coastal erosion, increasing capital expenditure. • Alternative freshwater sources or water treatment solutions to counter saltwater intrusion, leading to higher operational costs. • Strategic planning and adaptation measures to address changing site accessibility and water availability, affecting long-term business continuity. 	<ul style="list-style-type: none"> • Construct facilities in areas with low flooding risks and elevate them to mitigate the impact of foundation damage from coastal erosion, rising sea levels and riverine flooding. Reduces infrastructure vulnerabilities and costly future repairs. • Incorporate on-site drainage systems to manage excess water and prevent saltwater intrusion into freshwater resources. • Use of RAS at our farms creates a closed-loop water system, reducing dependence on external freshwater and mitigating risks from rising water salinity and potential freshwater scarcity. Also supports sustainable fish farming by maintaining water quality under changing environmental conditions. • Ensure available backup power sources, such as generators, critical for operating essential systems such as water pumps and monitoring equipment, in the event of infrastructure damage caused by extreme weather events such as riverine flooding. • Conduct regular inspections and proactive maintenance to address potential damage from gradual foundation weakening due to rising sea levels or riverine flooding events. • Proactively engage in scenario planning and infrastructure assessments to address physical climate risks, develop actionable plans to mitigate climate risks such as rising sea levels and riverine flooding, ensuring business continuity and resilience.
<ul style="list-style-type: none"> • Costly repairs if infrastructure and building structures are damaged, impacting revenue. • Operational downtime, reduced revenue and higher maintenance expenses if machinery, equipment and electrical systems are affected. • Additional flood mitigation measures to protect assets and ensure business continuity, leading to increased capital and operational costs. 	
<ul style="list-style-type: none"> • Reduce demand for plastic bags and reduce revenue streams, requiring more investment in diversifying offerings or exploring alternative materials. • Investments in new machinery and biodegradable raw materials to adapt to the market shift, resulting in increased capital costs. 	<ul style="list-style-type: none"> • Continually invest in research and development to create low-emission, eco-friendly and sustainable products that meet the growing demand for environmentally-conscious consumer preferences. • Explore biodegradable raw materials to reduce reliance on traditional plastics, aligning with both consumer expectations and regulatory requirements. • Prioritise reducing, recycling and reusing materials, including reintegrating recovered plastic resins into production processes with our waste management programme. Mitigates the increased capital costs of biodegradable alternatives. • Continuously evaluate renewable energy solutions, such as installing solar panels, to reduce our dependency on fossil fuels. Addresses rising operational costs linked to energy-efficient technology transitions and supports our decarbonisation objectives. • Conducted qualitative climate scenario analysis to assess climate-related risks and opportunities, enabling more informed decision-making and operational planning to effectively respond to emerging regulations and technological advancements.
<ul style="list-style-type: none"> • Continual upgrades, R&D investment and adoption of new energy-efficient technologies to keep pace with decarbonisation efforts, increasing capital costs. • Operational disruptions during the transition to zero-emission technologies, affecting productivity and efficiency. • Compliance with stricter environmental regulations, leading to potentially higher operational costs. 	

Sustainability Report

Climate-Related Opportunities and Potential Implications

Opportunities	Opportunity description	Potential implications
 Resource Efficiency	<ul style="list-style-type: none"> Continuously innovating in fish farming to enhance resource efficiency while reducing our carbon footprint e.g. Multi-Tier Automated Recirculation Holding Tank System, implemented across various farms, minimises water consumption by recycling water during the fish quarantine process. This multi-step filtration system essentially breaks down and rapidly removes bio-load, followed by an ultraviolet steriliser to further remove waterborne pathogens, which eliminates the need to change water daily to reduce the ammonia build-up in the tanks and recycles water whilst maintaining the health of our fish. Use of ART and a single pump system, contributing to energy and water savings while lowering GHG emissions. Investing in smart aquaculture practices to improve productivity and biosecurity. Leveraging AI and IoT-based technology, cloud-based solution monitors key pond conditions such as dissolved oxygen, water pH and animal behaviour. Enables optimal feeding, enhances productivity, and reduces risks and operational costs. 	<ul style="list-style-type: none"> Potential long-term savings in the fish business across Singapore, Malaysia, Thailand and China through water recycling and reduction in energy consumption. Increase in production yield and lower fish mortality. Reduced exposure to future fossil fuel price increases.
 Energy	<ul style="list-style-type: none"> Actively explore the use of electric vehicles and solar energy where feasible, with solar panels already installed at a subsidiary in Thailand to mitigate electricity needs and reduce GHG emissions. These align with policies aimed at mitigating increasing carbon prices. 	<ul style="list-style-type: none"> Lower operating expenditure across all business segments in all countries through self-generating energy. Reduced exposure to future fossil fuel price increases. Lessened impact of rising carbon taxes through potential GHG emission reductions.
 Products and Services	<ul style="list-style-type: none"> Committed to advancing R&D efforts to create innovative, low-emission solutions. Exploring eco-friendly materials for plastic product development to increase product lifespan and durability while reducing environmental impact. Enabling us to meet both shifting customer preferences and reduce our environmental footprint, creating potential opportunities for expansion into new markets. 	<ul style="list-style-type: none"> Higher revenue through increase in demand for eco-friendly products. Enhanced customer engagement, stronger brand building and potential expansion to new markets through the development and sale of sustainable products.

Opportunities	Opportunity description	Potential implications
 Market	<ul style="list-style-type: none"> Consider environmental certifications to strengthen our focus on sustainability and enhance credibility. Appeal to international markets seeking trusted, responsible and certified companies. 	<ul style="list-style-type: none"> Enhanced international reputation, recognition and improved revenue across all business segments in all countries.
	<ul style="list-style-type: none"> Actively pursue access to green finance by implementing proactive climate strategies, increasing the potential for green bonds and sustainability-linked loans. Also creates opportunities for subsidies and tax incentives that support our climate initiatives. 	<ul style="list-style-type: none"> Higher levels of green funding across all business segments in all countries.
 Resilience	<ul style="list-style-type: none"> Proactive approach to addressing climate risks builds trust and credibility with consumers, investors and regulators, enhancing the Group's reputation in the market. 	<ul style="list-style-type: none"> Increased funding and revenue across all business segments in all countries.
	<ul style="list-style-type: none"> Strengthen our supply chain stability by actively investing in research and development for localised fish breeding, enabling greater control over environmental conditions and mitigating the impact of physical risks. 	<ul style="list-style-type: none"> Enhanced supply chain reliability and operational resilience with unexpected macro-economic issues or diverse conditions. Growth in revenue from consistent supply availability and strengthened value propositions.



Sustainability Report

Committed to Our Role in Climate Change

Our environmental policy guides us in using resources responsibly, planning for long-term decarbonisation and managing key climate risks and opportunities.

This policy is implemented across all our business entities, and we proactively review processes and systems to ensure the sustainable management of energy, water and waste. Our goal is to build climate-resilient operations that mitigate the impact of climate change on our business.

We remain committed to complying with all relevant environmental laws and regulations in the countries where we operate. There were no instances of non-compliance reported in FY 2024.

Our initiatives helped us effectively manage both water and electricity consumption in FY 2024 compared to previous years. Our targets and current performance for utility reductions are based on FY 2020 as the baseline year and are as follows:

Environmental Performance Indicators	Parameters	Targets (Baseline Year - FY 2020)	FY 2024 Performance	Tracked Against Targets
Water Consumption	Intensity (m ³ /floor area)	Short-term Target (by FY 2025) – Reduction of 10% Medium-term Target (by FY 2028) – Reduction of 12% Long-term Target (by FY 2035) – Reduction of 15%	Water use intensity – 1.12 m ³ /m ² (2023: 1.36 m ³ /m ²)	FY 2025: 75% FY 2028: 64% FY 2035: 50%
Energy Consumption	Intensity (kWh/floor area)	Short-term Target (by FY 2025) – Reduction of 10% Medium-term Target (by FY 2028) – Reduction of 12% Long-term Target (by FY 2035) – Reduction of 15%	Energy use intensity – 30 kWh/m ² (2023: 35 kWh/m ²)	FY 2025: 100% FY 2028: 100% FY 2035: 100%

In FY 2024, we have successfully further reduced our overall water and energy intensity by 18% and 14% respectively. We are tracking very healthily towards our short-term, medium-term and long-term targets for water consumption. Our targets for energy consumption have been fully met, and as such, we will review these in FY 2025. Meanwhile, we will continue to implement innovative initiatives to further reduce our environmental footprint.



• **Energy Consumption**

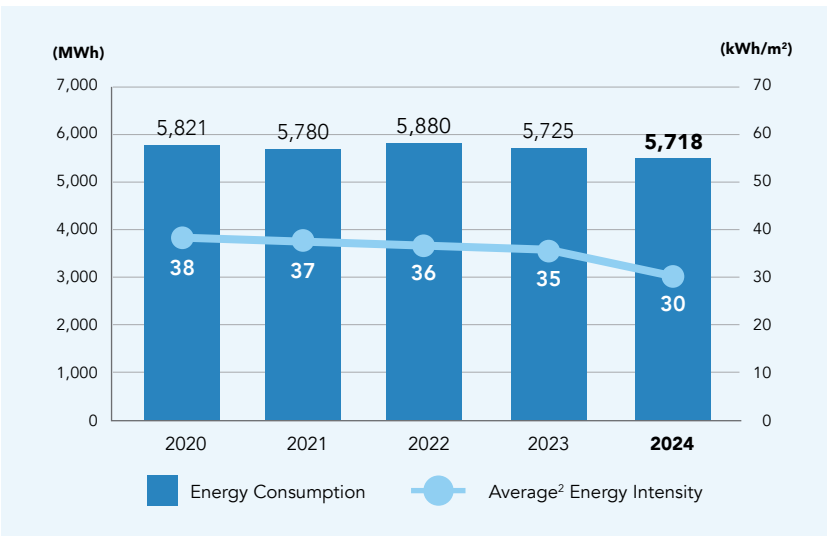
Qian Hu aligns closely with Singapore’s national climate goals by actively working to optimise energy consumption and reduce GHG emissions.

Electricity purchased from utility companies, classified as Scope 2 emissions, remains our largest source of emissions, primarily driven by our operational activities. To minimise energy usage, we actively foster employee awareness of energy consumption, integrating sustainability goals into daily operations. This includes practical measures, such as ensuring air conditioning and fans are turned off when not in use, reinforcing the company’s commitment to minimising energy waste and improving our energy intensity.

We have also embraced renewable energy solutions where feasible. For example, our subsidiary in Thailand has installed solar panels to generate electricity for specific operational needs. This initiative has helped to lower our carbon footprint, reduce reliance on the national grid, and bring about significant cost savings.

In FY 2024, our group-wide energy consumption totaled 5,718 MWh which was a marginal decrease of 0.1% as compared to 5,725 MWh in FY 2023.

Energy Consumption and Intensity



Total Energy Consumption

5,718 (MWh)
5,725 (MWh) in 2023

Average Energy Intensity

30 (kWh/m²)
35 (kWh/m²) in 2023

² The average energy intensity (kWh/m²) is calculated using Total Energy Consumption divided by Total Gross Floor Area



Sustainability Report

• Water Management

Managing water resources effectively is essential to meet the needs of today, while ensuring there is enough to support future generations.

At Qian Hu, we understand that water is a finite resource that must be used responsibly, particularly in our fish segment, which relies heavily on a clean and consistent water supply. Poor water management can negatively impact the health and growth of fish, while climate change events, such as droughts or irregular precipitation, pose additional risks to our operations and supply chain.

In water-scarce Singapore, Qian Hu adopts advanced technologies to enhance water efficiency, conservation and usage. These efforts align with national sustainability goals and reflect our commitment to responsible resource management. We are continuously exploring innovative methods to improve water conservation, recycling and overall management.

One of our long-term goals is to recycle all the water used in our operations. We have implemented RAS to efficiently recycle water and maintain consistent water quality, even during extreme temperatures. These systems incorporate advanced filtration and aeration technologies to minimise ammonia build-up, ensuring optimal conditions critical for fish health. This supports cleaner water and promotes stable fish health, particularly under high-temperature stress, significantly reducing freshwater consumption. Additionally, we utilise water storage systems at our farms to collect and retain natural sources like rainwater.

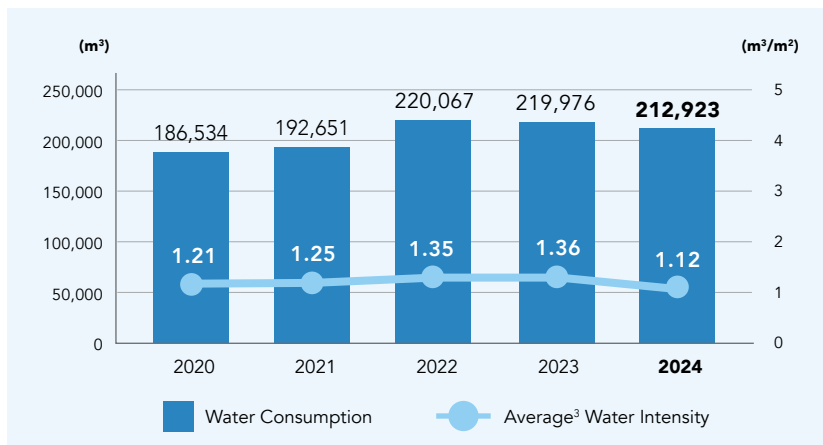
Since FY 2018, we have equipped our Singapore facilities with a water treatment system for storage tanks that uses bacterial nitrification to lower ammonia and nitrate levels while boosting dissolved oxygen. This process enhances water quality, allowing us to treat and reuse water efficiently, thus minimising overall consumption.

Water quality monitoring is central to our management strategy, particularly for our fish and aquaculture operations. To maintain high standards, we have established a rigorous testing regime, which includes engaging a reputable third-party organisation to annually assess water samples at our Singapore farm. We monitor key parameters such as biochemical oxygen demand, chemical oxygen demand and suspended and dissolved solids to ensure compliance with acceptable limits. This robust approach underscores our commitment to environmental sustainability and the health of aquatic ecosystems.

While our water consumption data currently represents only the utility and well water supply, we are enhancing our measurement and data collection tools to accurately measure our water extraction from other natural resources, while abiding by all prevailing laws and regulations before extracting water from these natural sources. Meanwhile, we will continue to focus on improving our water management process to achieve greater savings in the future.

We outline our group-wide water consumption level in FY 2024 below, with improvements in both our total water consumption and water use intensity, which totaled 212,923 m³ and 1.12 m³/m² respectively, compared to 219,976 m³ and 1.36 m³/m² in FY 2023. These represent improvements of 3% and 18% respectively.

Water Consumption and Intensity



Total Water Consumption

212,923 (m³)

219,976 (m³) in 2023

Average Water Intensity

1.12 (m³/m²)

1.36 (m³/m²) in 2023

³ The average water intensity (m³/m²) is calculated using Total Water Consumption divided by Total Gross Floor Area

• Emissions

As part of our sustainability journey, we have implemented a structured approach to tracking and managing GHG emissions. Guided by the Greenhouse Gas Protocol, a globally recognised standard, we began reporting Scope 1 and Scope 2 emissions in FY 2022 to establish a baseline for future reduction efforts.

In FY 2023, we expanded our focus to include Scope 3 emissions, addressing key upstream and downstream activities in our value chain. This holistic approach allows us to identify key emission sources and prioritise critical areas for our decarbonisation strategy and reinforce our commitment to sustainable practices.

Moving forward, we aim to develop a comprehensive decarbonisation roadmap, which will include setting measurable GHG reduction targets. This roadmap will align with our broader sustainability goals and further our contribution to a low-carbon future.

We have identified 6 of the 15 Scope 3 categories relevant to our operations. As our business and environmental priorities evolve, we will continue to evaluate additional Scope 3 categories to determine their applicability.

In FY 2024, the combined Scope 1 and Scope 2 emissions were 3,488 tonnes of CO₂e, representing a decrease of 0.3% as compared to 3,499 tonnes in FY 2023. Scope 3 emissions totalled 56,359 tonnes of CO₂e, compared to 55,028 tonnes of CO₂e in FY 2023, accounting for an increase of 2.4% mainly due to diversification in our customer base to more global locations.

Carbon Emissions (tonnes of CO ₂ e)	FY 2024	FY 2023	FY 2022 (Baseline Year)	Methodology
Scope 1 <ul style="list-style-type: none"> Direct emissions from fuel combustion from own vehicle fleet, fuel used in power generators and cooking gas 	689	665	702	Activity data
Scope 2 <ul style="list-style-type: none"> Indirect emissions from purchased electricity consumed by the operational activities of Qian Hu, at both owned and rental facilities 	2,799	2,834	2,861	Activity data
Scope 3 <ul style="list-style-type: none"> Purchase of goods and services (Category 1) Capital goods (Category 2) Fuel and energy-related activities (Category 3) Upstream transportation and distribution (Category 4) Employee commuting (Category 7) Downstream transportation and distribution (Category 9) 	41,633	42,115	NA	Spend-based and Average-data method
	333	106	NA	Spend-based method
	819	821	NA	Average-data method
	4,356	4,364	NA	Spend-based and Distance-based method
	344	338	NA	Distance-based method
	8,874	7,284	NA	Spend-based and Distance-based method
Total Scope 1 and Scope 2 Emissions	3,488	3,499	3,563	NA: Not Applicable
Total Scope 3 Emissions	56,359	55,028	NA	

Sustainability Report

• Waste Management

Waste has far-reaching environmental impact, contributing to climate change, pollution and the spread of diseases. In our operations, the import, export and sale of products involve extensive use of packaging materials such as cartons, plastic bags and styrofoam boxes, generating both general and packaging waste. To address these challenges and manage costs, we are actively implementing 'reduce, recycle and reuse' initiatives.

Our waste management program prioritises minimising waste through the reuse and recycling of materials from suppliers, including cartons, plastic bags and styrofoam boxes. Since our waste mainly consists of packaging materials that are typically reused or recycled, we have assessed general waste to be immaterial and have therefore excluded these amounts from this Report.

Our subsidiary, Qian Hu Tat Leng Plastic Pte. Ltd., ("QHTL") has a key role in waste management given that it produces high-density and low-density polyethylene bags for commercial and industrial use. We collect discarded plastic waste, which is sent to a third party for recycling, with the recovered plastic resins then reintegrated into production. In FY 2024, QHTL recycled 91 tonnes of plastic waste as compared to 96 tonnes in FY 2023 due to lower wastage during the production process. For the other entities within the Group, 32 tonnes of aluminium, steel, carton, plastic, styrofoam and glass waste were also recycled in FY 2024 as compared to 51 tonnes in FY 2023.



Safeguarding Our Natural Biodiversity

As a leading integrated fish provider exporting and selling to over 80 countries, Qian Hu is deeply committed to minimising the environmental impact of our business activities on surrounding ecosystems and habitats. Biodiversity conservation remains a cornerstone of our sustainability efforts.

One of our key concerns is preventing the accidental release of non-native aquatic species into local ecosystems, which could adversely affect native biodiversity. To address this risk, we have implemented strict protocols to prevent such incidents. For example, our fish farm and breeding ponds in Singapore are designed with sedimentation ponds that act as barriers to capture any fish species that might escape during storms or floods, preventing them from entering local habitats.

We also adhere rigorously to the guidelines set by the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES"). This ensures that our international trade practices support the conservation of wild species and do not threaten their survival, further underscoring our commitment to responsible operations and the protection of global biodiversity.

In FY 2024, to the best of our knowledge, there were no reported incidents of significant impact on biodiversity in the areas where we operate.

Contributing Our Efforts to Animal Welfare

Animal welfare is integral to Qian Hu's daily operations, as the responsible handling of livestock is essential to prevent health issues, disease outbreaks and high fish mortality rates.

To ensure high standards of animal welfare, we have implemented robust fish quarantine procedures as part of our quality assurance process. Our Multi-Tier Automated Recirculation Holding Tank System, deployed across various farms, rapidly breaks down and removes bio-load and incorporates ultraviolet sterilisation to eliminate waterborne pathogens, thereby safeguarding the health of our fish.

The implementation of the RAS incorporates advanced filtration and aeration technologies to minimise ammonia build-up and maintaining consistent water quality, ensuring optimal conditions critical for fish health. This approach supports cleaner water and promotes stable fish health, particularly under high-temperature stress.

We also perform daily water quality testing, focusing on parameters such as pH levels, temperature, ammonia, nitrates and alkalinity. Additionally, we practice the responsible use of approved antibiotics for ornamental fish. Our research and development team is actively involved in identifying fish affected by parasites and applying targeted treatment methods to maintain their health.

Our strategic partnership with AquaEasy Pte Ltd, an aquaculture solutions provider, enables us to integrate AI and IoT into our farming practices. These innovations enable real-time monitoring of key pond conditions, including dissolved oxygen levels, water pH and livestock behaviour. The data collected allows us to maintain optimal pond conditions, reduce feed wastage and improve productivity while supporting sustainable aquaculture practices and minimising risks and costs.

To ensure the success of these initiatives, we emphasise the importance of employee training in fish handling. Employees who handle the livestock are required to undergo comprehensive training to understand the procedures and requirements for managing different fish species effectively. In FY 2024, our average monthly in-house fish loss rate was 6%.

This coming year, we are collaborating with N&E Innovations Pte Ltd, a Singapore-based deep-technology company, to integrate antimicrobial technology ("AMT") into pet and aquarium care – a revolutionary solution that harnesses biodegradable materials derived from fruit waste. Our partnership aims to address critical challenges in pet care, since traditional disinfectants such as those containing alcohol can irritate pets' skin and compromise their well-being. This patented technology offers a safer, eco-conscious alternative, delivering antimicrobial protection that lasts up to six months. By eliminating harmful bacteria and viruses without harsh chemicals, these products enhance both the health of pets and the ecosystems they interact with.

In FY 2025, we will introduce a pet product line featuring AMT-based innovations, including wet wipes and sprays. These products are designed to go beyond hygiene, promoting healing and ensuring the comfort of pets. With this, pet owners can look forward to solutions that prioritise the well-being of their furry friends.

This venture not only represents a milestone in sustainable pet care but also reaffirms our dedication to protecting animals and fostering a greener future. Together with N&E Innovations, we are shaping a compassionate and sustainable vision for pet care.



Sustainability Report

CHARTING POSSIBILITIES WITH OUR PEOPLE

Unlocking potential, fostering inclusivity, and building resilient teams for a brighter future.

At the heart of our journey lies a deep commitment to our people. By creating opportunities for growth, fostering inclusivity and prioritising well-being at Qian Hu, we hope to unlock the potential of every individual. Through meaningful engagement and support, we empower our teams and communities to navigate challenges and embrace new possibilities, ensuring our foundation for collective success.

Our Commitment to Diversity and Equality

At Qian Hu, we firmly uphold our “People First” principle, recognising that our employees are the cornerstone of our success. Fostering a diverse and inclusive workplace is integral not only to our core values, but also to achieving business excellence.

We are committed to creating an environment where every individual is valued and opportunities are based on merit and ability. Across our Group, we prioritise promoting diversity and equality, ensuring that all employees, regardless of their location or role, can thrive in an inclusive and supportive workplace.

To us, diversity and equality mean providing all individuals with equal access to professional growth opportunities and employment benefits – irrespective of age, gender, ethnicity, religion, sexual orientation, disability, political affiliation, or any other personal attributes unrelated to their work. This approach fosters the inclusion of diverse perspectives and ideas, mitigates groupthink and ensures that we can fully leverage the talent pool available to us.

Our commitment to inclusion and diversity is led by our leadership team. Notably, 40% of our Board members are female, and 60% are independent directors, reflecting our dedication to balanced and diverse governance. Details on our Board Diversity Policy can be found on page 92 of this Annual Report.

We strive to uphold the principles of respect, dignity, and fair employment in all our practices. Our inclusive hiring processes align with the Tripartite Guidelines on Fair Employment Practices, established by the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) under the Ministry of Manpower, the Singapore National Employers Federation, and the National Trades Union Congress.



As of 31 December 2024, our Group comprises 520 employees, with a gender distribution of 36% female and 64% male. Majority of our employees fall within the 30 to 50 age range, reflecting our balanced and dynamic workforce.

While the nature of our industry and operations results in a larger proportion of male employees in our operational teams, we remain steadfast in our commitment to empowering women across all roles, supporting their career growth and professional development.

We also value the extensive experience that senior workers bring to our organisation. In line with this, we actively re-employ employees beyond the retirement age, provided health and job requirements permit. Almost 21% of our workforce is aged 50 and above as at 31 December 2024.

Our remuneration package comprises both fixed and performance-based variable components, complemented by additional benefits such as parental leave, birthday leave and compassionate leave, alongside statutory benefits as mandated by manpower legislation. These offerings play a crucial role in attracting and retaining talent while fostering a positive and supportive workplace culture.

In FY 2024, we welcomed 102 new hires and saw 104 resignations, translating to a new hire rate of 19.6% and a turnover rate of 20%. This marks a decline compared to FY 2023, which saw 129 new hires and 131 resignations, with a new hire rate of 24.7% and a turnover rate of 25.1%.



In FY 2024, we achieved an Employee Satisfaction Index score of 4.58 out of 6, consistent with the previous year at 4.59. We remain committed to exploring innovative approaches to further enhance workplace practices and create an even more conducive environment for all employees.

At Qian Hu, we are steadfast in our commitment to upholding human rights principles, including the prevention of child labour, forced labour and human trafficking. We strictly adhere to the Singapore Prevention of Human Trafficking Act 2014 (Chapter 45) and ensure compliance with all applicable laws and regulations in the countries where we operate.

As a small-medium enterprise, our operations do not involve trade unions and therefore no employees are covered under collective bargaining agreements. However, we remain committed to fostering open communication and maintaining fair and transparent employment practices across our organisation.

In FY 2024, there were no reported cases of discrimination or violations of human rights.

EMPLOYEE SATISFACTION INDEX



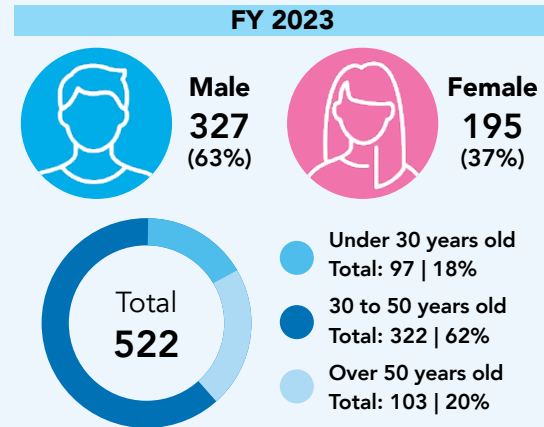
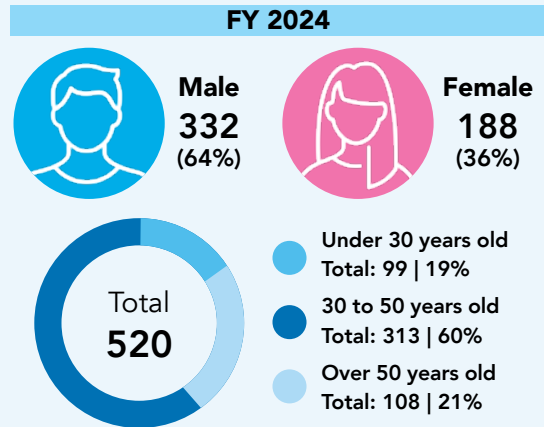
FY 2024
4.58
Out of 6



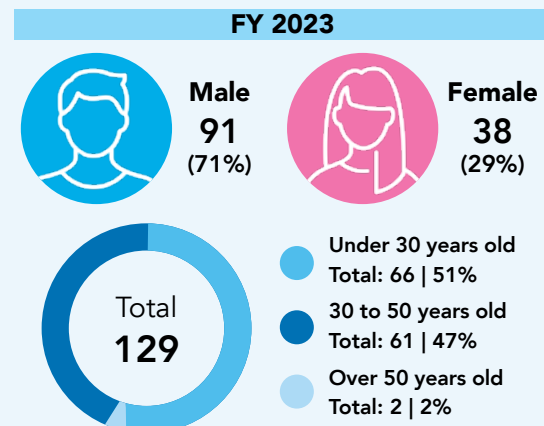
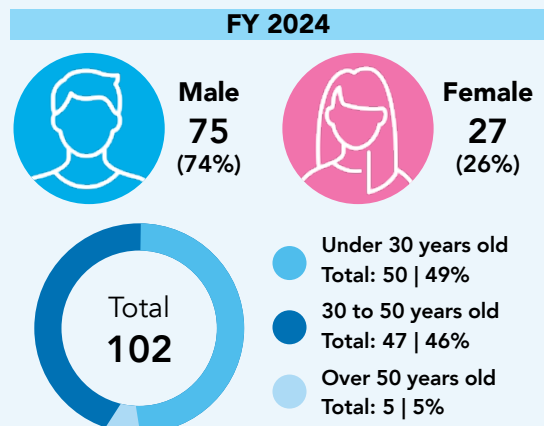
FY 2023
4.59
Out of 6

Sustainability Report

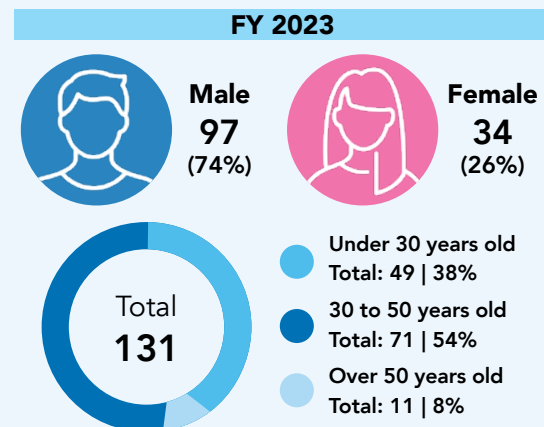
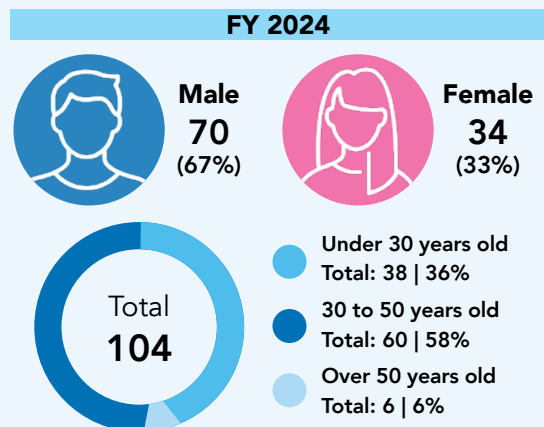
Employees by Gender and Age Groups



New Hires by Gender and Age Groups



Turnover by Gender and Age Groups



Key Employee Data

	SINGAPORE			MALAYSIA			THAILAND			INDONESIA			CHINA			TOTAL		
EMPLOYEE PROFILE (NUMBER)	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Total Employees	187	180	188	68	74	74	90	95	94	34	31	31	141	142	137	520	522	524
Employees by Gender																		
Male	127	120	129	44	48	47	66	69	68	27	24	24	68	66	65	332	327	333
Female	60	60	59	24	26	27	24	26	26	7	7	7	73	76	72	188	195	191
Employees by Age Group																		
Under 30 years old	28	25	19	11	14	17	27	27	28	11	11	12	22	20	19	99	97	95
30 to 50 years old	92	91	98	43	47	43	61	66	64	20	17	17	97	101	111	313	322	333
Over 50 years old	67	64	71	14	13	14	2	2	2	3	3	2	22	21	7	108	103	96
Employees by Employee Category																		
Key management	19	18	19	1	1	2	2	2	3	2	2	2	1	1	1	25	24	27
Middle management and Executives	65	48	47	36	25	33	31	34	42	2	1	1	32	21	27	166	129	150
Admin & Operational staff	103	114	122	31	48	39	57	59	49	30	28	28	108	120	109	329	369	347
Employees by Employment Contract																		
Permanent	183	180	188	68	74	74	90	95	94	34	31	31	141	142	137	516	522	524
- Full time	178	176	185	68	74	74	90	95	94	33	30	30	141	142	137	510	517	520
- Part time	5	4	3	0	0	0	0	0	0	1	1	1	0	0	0	6	5	4
Temporary	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0
Employees by Length of Service																		
Less than 5 years	71	64	68	23	39	39	25	25	24	12	9	14	53	60	66	184	197	211
5 to 10 years	31	31	34	21	15	15	28	33	36	14	14	9	42	36	27	136	129	121
Over 10 years	85	85	86	24	20	20	37	37	34	8	8	8	46	46	44	200	196	192
New Hires																		
Total new hires	38	31	44	13	13	16	8	9	6	3	0	1	40	76	44	102	129	111
New Hires by Gender																		
Male	25	15	22	12	11	12	5	5	6	3	0	1	30	60	29	75	91	70
Female	13	16	22	1	2	4	3	4	0	0	0	0	10	16	15	27	38	41
New Hires by Age Group																		
Under 30 years old	18	16	15	7	7	8	6	9	6	0	0	1	19	34	20	50	66	50
30 to 50 years old	17	15	24	5	5	7	2	0	0	3	0	0	20	41	24	47	61	55
Over 50 years old	3	0	5	1	1	1	0	0	0	0	0	0	1	1	0	5	2	6
Turnover																		
Total turnover	31	39	46	19	13	28	13	8	4	0	0	2	41	71	70	104	131	150
Average monthly turnover rate (%)	1.4	1.8	2.0	2.3	1.5	3.2	1.2	0.7	0.4	0.0	0.0	0.5	2.4	4.2	4.3	1.7	2.1	2.4
Turnover by Gender																		
Male	18	24	23	16	10	19	8	4	4	0	0	2	28	59	37	70	97	85
Female	13	15	23	3	3	9	5	4	0	0	0	0	13	12	33	34	34	65
Turnover by Age Group																		
Under 30 years old	11	11	15	7	4	10	6	7	3	0	0	0	14	27	41	38	49	69
30 to 50 years old	17	22	25	9	7	17	7	1	1	0	0	2	27	41	28	60	71	73
Over 50 years old	3	6	6	3	2	1	0	0	0	0	0	0	0	3	1	6	11	8

Sustainability Report

Training and Developing Our Staff

To achieve our business objectives and advance long-term sustainability, Qian Hu focuses on cultivating and nurturing talent within our niche sector. We actively invest in our employees to broaden their skillsets and help them reach their full potential. We do this through various initiatives, including training and development programmes, job diversification opportunities and management trainee programmes designed to prepare employees for regional roles.

We ensure training and development opportunities are accessible to all employees across our workforce, promoting lifelong learning. These efforts empower our people and enhance our ability to adapt and thrive in a dynamic business environment.

• Upskilling

We provide robust support for our employees' growth by facilitating external courses alongside comprehensive on-the-job training. These efforts enable our employees to deepen their knowledge of job functions, standard operating procedures, processes and methodologies. Line managers and the human resource department oversee all training activities to ensure they align with our employees' learning and development needs.

In FY 2024, our employees received an average of 15.6 hours of training per person. While this fell short of our 16-hour annual target, it was an increase from 13.2 hours reported in FY 2023. We made a conscious effort to improve the breadth and depth of our training offerings this year – including sessions on new software implementation and a sustainability-focused workshop.

This year, our female employees logged an average of 16.6 training hours, while male employees recorded an average of 15.1 hours.



• Succession Planning

We have implemented a structured programme since 2004 to groom a team of key executives to guide the Group through its next phase of development. Succession planning is key in sustaining our business continuity and momentum, especially in an ever-evolving industry landscape.

Our programme features a comprehensive leadership development process, including job rotation across diverse portfolios and performance reviews in dynamic business settings. This structured approach ensures that executives are well-prepared to take on leadership roles while prioritising the Group's long-term success.

As part of our succession plan, we have ushered in a new chapter in our leadership as Mr Kenny Yap retired from Qian Hu on 31 December 2024 and Mr Yap Kok Cheng assumed the role of Executive Chairman and CEO.

Ensuring Our Employee Health and Safety

Across our operations, the health, safety and well-being of our employees are a top priority. As such, we take meticulous measures to adhere strictly to all stipulated regulations and guidelines in the countries which we operate.

• Workplace Health and Safety

Creating a safe and healthy workplace is key for us as we strive to prevent or minimise work-related injuries and illnesses amongst our employees. We recognise that a safe work environment not only upholds ethical standards, but also fosters positive workplace morale, overall well-being of our employees and ultimately enhances the quality of our products and services.

To manage this effectively, we established a governance structure to oversee health and safety processes. Our in-house Workplace Health and Safety Committee regularly reviews practices and procedures, identifies potential hazards and develops action plans to mitigate risks. We ensure that all issues are addressed and that the Group complies with prevailing standards, laws and regulations by way of an annual review.

Our employees are equipped with the necessary skills through relevant training programs, including fire safety, basic first aid and, in Singapore, specialised sessions on Cardiopulmonary Resuscitation ("CPR") and the use of automated external defibrillators ("AEDs"). We also conduct regular fire drills and evacuation exercises as part of our best practices.

In FY 2024, we recorded zero workplace fatalities and one reportable work-related accident. The incident involved an employee who sustained a bruise and a minor cut on his left arm after slipping and falling into a sump, causing his left hip to hit a horizontal wooden bar. The lessons learned from this incident were shared with our employees and safe practices were reinforced to prevent future occurrences. We remain committed to striving for zero workplace accidents.



• Employee Well-Being and Wellness

Employees' well-being is a key component of our management ethos. Throughout the year, we organised various recreational activities to foster a positive and inclusive work environment. This included celebrations such as the Qian Hu 2024 Reunion Dinner and monthly birthday celebrations for our employees throughout the year.

To foster stronger employee bonding and interactions beyond the workplace, we engaged in charity activities as a group. In FY 2024, we visited the Down Syndrome Association, where we had the opportunity to learn more about their work-readiness program for persons with Down syndrome.

In addition to recreational and social activities, we prioritise the health of our employees. We organise annual complimentary health screening programme for all permanent full-time employees. Recognising the importance of mental health in the workplace, we plan to launch a mental wellness programme in Singapore, including well-being workshops, aimed at supporting employees and helping them build resilience.

Sustainability Report

Engaging with Our Communities

Qian Hu actively contributes to local communities through collaborative initiatives. Our community engagement policy, "Charity, Community and Commitment," bridges profit and purpose, reflecting our core values of giving back and making a positive impact on society.

• Local Communities

Community involvement is essential for enhancing employee satisfaction, engagement and productivity. We recognise that our employees' skills and resources can make a meaningful difference, and our giving-back programme supports personal growth and the development of soft skills. We encourage employees to actively participate in community activities outside of work.

Supporting marginalised communities through activities and donations is central to our sustainability efforts. Since FY 2001, Qian Hu has upheld a program that matches every dollar donated by employees for designated charitable causes. This year, we maintained our momentum in providing support to associations and social causes. For the second year in a row, our Singapore employees contributed food, essential items and monetary donations to the Down Syndrome Association. Additionally, we also made cash donations to WE CARE Community Services, aiding their vital work in the community.

To create more memorable experiences, we hosted individuals with Down syndrome from the Down Syndrome Association at our fish farm, where they enjoyed engaging activities like fish feeding and long kang fishing.

As part of our annual charity drive, our Guangzhou employees visited a nursing home during the Double Ninth Festival (九九重阳节) in October and donated blankets. Through this initiative, we aim to ensure that the seniors feel supported and comfortable in their living environment.

Qian Hu's community outreach also includes educational initiatives, such as guided tours at our Singapore farm, where students learn about biodiversity and animal welfare. In FY 2024, we hosted approximately 390 tours, engaging over 13,500 students.

We aim to continue inspiring future generations to value and protect our natural world by way of initiatives such as offering internships to polytechnic students in Singapore throughout the year. Additionally, Qian Hu contributes fish to local schools and helps increase fish stocks in our local reservoirs.

• Insights For The Business Industry

As a leader in the ornamental fish and aquaculture sector, Qian Hu contributes valuable insights and expertise to the broader industry. Our Executive Chairman and CEO, Mr Yap Kok Cheng, is a member of the Animal and Veterinary Services' Ornamental Fish Business Cluster and serves as a committee member of the Kranji Countryside Association. With our extensive experience and knowledge, we aim to enhance business and operational practices while elevating performance standards within the industry.

Our senior management team is also actively involved in industry committees, sharing insights from our pursuit of business excellence. For example, our Finance Director, Ms Lai Chin Yee, is the Chairperson of the Institute of Singapore Chartered Accountants ("ISCA")'s CFO Committee and a member of its Membership Committee. She was previously a Board member of the Accounting and Corporate Regulatory Authority (ACRA) and a Council Member of ISCA.

Through these efforts, our senior executives build connections within the wider industry ecosystem, facilitating the exchange of knowledge and creating networking opportunities while sharing best practices.

CHARTING EXCELLENCE IN OUR PRACTICES

Redefining operational and ethical standards for long-term sustainability.

Innovation and integrity are the cornerstones of our operations. We are committed to refining our processes, adopting sustainable solutions and upholding the highest ethical standards. By integrating cutting-edge technology and embracing a culture of continuous improvement, we aspire to set new benchmarks in excellence, so that we can achieve long-term value for our stakeholders, shareholders and communities.

Managing Our Supply Chain

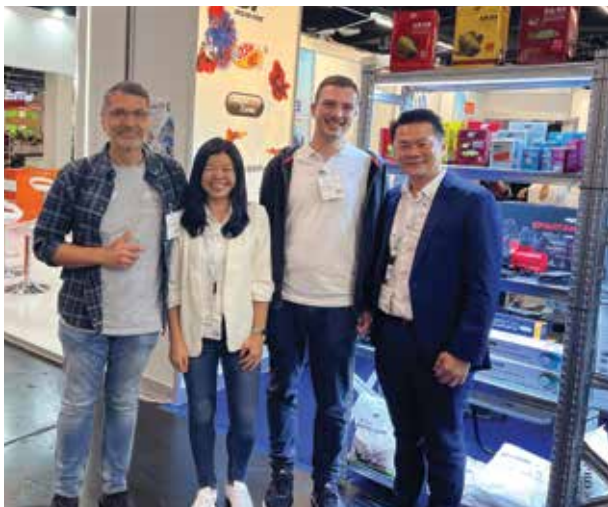
Maintaining a reliable and sustainable supply chain is essential for the long-term growth of our business, especially amid unforeseen global pandemics such as COVID-19, as well as evolving political, economic and climate conditions which can impact product quality and service. To mitigate these risks, Qian Hu maintains close collaboration with farmers and suppliers to ensure the seamless delivery of high-quality products that meet customer expectations.

From the onset of our partnership, we share our Supplier Code of Conduct to reinforce our expectations regarding environmental and social practices, requiring compliance with laws and ethical business conduct. Our suppliers are carefully evaluated and selected for our Approved Vendor List based on their track record and alignment with our high standards.

Our supplier partnership programme prioritises open communication through farm visits, review meetings and training sessions to foster feedback, idea exchange and collaboration. We also integrate sustainability into our supply chain to ensure that suppliers uphold responsible practices and minimise environmental and social impact. Site visits help us validate sources for ornamental fish and accessories, identify quality challenges and address supplier issues.

By participating in local and international trade events such as the Food & Hotel Asia ("FHA") Exhibition and SIGEP & Restaurant Asia Exhibition, we are also able to strengthen our relationships with suppliers, reducing quality-related issues and costs while enhancing service.

Moving forward, we will continue to enhance our supplier engagement, raise standards and promote responsible practices to elevate product and service quality.



Sustainability Report

Upholding Our Customers' Satisfaction

• Customer Service

We continue to offer the highest standards in customer service as we believe in building long-term customer relationships and understanding the changing needs of our customers. Our customers are provided with various forms of communication channels with our in-house dedicated services support team, such as after-sales support, social media platforms, direct inquiry platforms and larger networking events such as trade events and exhibitions. We also carry out routine customer visits and keep lines of contact open via virtual or in-person meetings, phone conversations and email correspondences. The feedback that we receive from these platforms is taken into consideration to improve our product development.

Our reach across 80 different cities and countries is well supported by a strong distribution network, an efficient logistics system and a responsive dedicated team. This ensures timely delivery of our quality products by maintaining low Dead-on-Arrival ("DOA") rates consistently.



• Data Protection

We maintain stringent data privacy standards to protect confidential information and prevent the loss of customers' data. Our Personal Data Protection Policy ("PDPP"), applicable across the Group, outlines our approach to managing and safeguarding personal data, in line with laws such as the Personal Data Protection Act ("PDPA") 2012. The PDPP is available on our corporate website for further information. Additionally, our employees adhere to Qian Hu's Code of Conduct and Business Ethics, which includes a strict protocol for breaches of customer confidentiality.

We ensure that our customers' personal information remains confidential and secure and respect their privacy preferences. While collecting personal information is sometimes necessary to provide our products, services and aftersales support, we do not sell, rent, share, or disclose this information to third parties for commercial or any other purposes unless explicitly approved by our customers.

Throughout FY 2024, there were no violations of the PDPA 2012 or instances of non-compliance with our PDPP.

Prioritising Our Customer Health and Safety

At Qian Hu, we maintain the highest standards to ensure the well-being of our customers, the community and the reputation of our brand. We comply with all relevant laws and regulations in the countries where our products are sold.

We do not engage in the sale, use, provision, or any interaction with banned or contentious products. Our product range, which includes aquarium and pet accessories, is manufactured in strict adherence to industry standards such as Hazard Analysis Critical Control Point ("HACCP") and Good Manufacturing Practice ("GMP"). Additionally, our products conform to industry best practices, including the provision of Material Safety Data Sheets ("MSDS"). We also provide ingredient analysis for our pet food, fish medication and fish feeds so that our customers are informed about the nutritional content and composition.

We also strive to provide accurate and transparent information through responsible labelling and packaging. This approach allows our customers to make informed choices for their pets' well-being. We follow responsible marketing and communication principles to ensure our brand is represented effectively and accurately. In Singapore, we comply with the Singapore Code of Advertising Practice, overseen by the Advertising Standards Authority of Singapore, an advisory council to the Consumers Association of Singapore. Regular quality assessments and supplier label evaluations are conducted to assess the health and safety impact of our products.

In FY 2024, to the best of our knowledge, there were no instances of non-compliance with regulations or voluntary codes related to product and service information and labelling by type of outcome. Additionally, there were no violations of advertising or marketing guidelines or regulations, and no instances of false advertising or dissemination of inaccurate or misleading representations of our Group, products, or services.



Sustainability Report

Case Study:

Collaborating for Sustainable Innovation: Integrating Antimicrobial Technology into Pet and Aquarium Products

At Qian Hu, our commitment to sustainability drives us to seek out pioneering partnerships that align with our vision. We are proud to join forces with N&E Innovations Pte Ltd in FY 2024, a Singapore-based deep-technology company renowned for transforming creative ideas into tangible, impactful solutions. By combining our expertise, we aim to revolutionise pet and aquarium care with the integration of antimicrobial technology ("AMT") – a remarkable, biodegradable solution derived from fruit waste.

By using N&E Innovations patented AMT, Qian Hu will be creating products that are safer for pets, kinder to the environment and effective in ways traditional solutions would not be. Unlike conventional agents such as nano silver, sodium bicarbonate and alcohol – which can irritate pets' skin and harm the planet – AMT is not only biodegradable but also approved for human consumption.

We intend to introduce an AMT-based pet product line in FY 2025, including wet wipes, sprays and other innovative solutions that prioritise the well-being of pets and their owners. These will include a body odour spray for dogs that actively eliminates the bacteria causing bad smells, all without harsh chemicals.

For consumers, this means peace of mind in knowing that the products they use are safe for their furry companions, effective and environmentally responsible. This partnership reflects our dedication to creating solutions that are as thoughtful as they are practical.

N&E Innovations' antimicrobial product, ViKANG99, has received several certifications attesting to its safety and efficacy. A game-changer that works in harmony with nature, AMT provides protection against bacteria and even the Covid-19 virus for up to six months after application.

- Food Grade Certification: ViKANG99 is certified as food grade by SGS, ensuring its safety for applications involving direct or indirect contact with food.



- Non-Cytotoxic and Non-Mutagenic Certification: Clinical trials conducted by a GLP-certified lab have verified that ViKANG99 is non-cytotoxic and non-mutagenic, indicating it does not harm human cells or cause genetic mutations.
- Skin Safe Certification: Intertek has certified ViKANG99 as skin safe, making it suitable for individuals with sensitive skin or eczema.

This is a new level of care, designed with sustainability at its core. Our collaboration is just the beginning of a broader step toward building a future where innovation and responsibility go hand in hand, enhancing lives while protecting the planet. At Qian Hu, we're proud to lead the way in making pet care – and the world – a little better for everyone.

Innovating For Tomorrow

To strengthen our competitive edge, we prioritise innovative business and product development. In a fast-evolving market marked by the growth of online platforms and social media influence, we keep up with current trends to align with our customers' preferences. Our commitment to new product innovation provides customers with a wider range of choices and facilitates easy communication with our innovation and customer service teams for feedback on existing products.

In FY 2024, we successfully launched 23 new products, exceeding our target of at least 10 new products per year.

Aquarium Accessories

- **Aqua Zonic**
 - Super Slim LED Clamping Lamp G3
 - Smart Link Submersible RGBW LED Underwater Light
 - Super Slim LED Clamping Lamp Actinic Blue + Violet
 - Super Slim RGB LED Clamping Lamp
- **OF Tropical Fish Feed**
 - Red Dragon Feast
- **OF Pure Liquid-New Improved Formula**
- **Fish Love Smart Joy Fish Tank**
- **Smart Power Strip**



Pet Accessories

- **Sumo Cat Cat Snack**
 - Salmon
 - Tuna
 - Cod Fish
- **Sumo Cat TCM Health Care Series Cat Treat**
 - Tuna with Wolfberry in Gravy
 - Tuna with Milk Thistle in Gravy
 - Salmon with Cranberry Extract in Gravy
 - Salmon with Ginseng in Gravy
- **Sumo Cat TCM Health Care Series Cat Canned Food**
 - Tuna with Wolfberry in Gravy
 - Tuna with Ginseng in Gravy
 - Tuna with Psyllium in Gravy
 - Tuna with Milk Thistle in Gravy
 - Tuna with Cranberry Extract in Gravy
- **Aristo-Cats YIHU Probiotic Sachets**
 - Intestinal Health
 - Joints & Bones
 - Fur & Skin Care



Sustainability Report

Committed to Strong Governance and Business Ethics

We adhere to the highest ethical standards and conduct our business activities with professionalism, integrity, and transparency, in full compliance with all relevant laws and regulations. We have a zero-tolerance policy towards fraud, bribery, corruption, anti-competitive practices, slavery and violations of human rights, and we will take decisive action against any such conduct.

We are aware of the potential financial, legal and reputational impact that unethical or unlawful behaviour can have on our Group. To this end, all Qian Hu employees are required to follow the guidelines set out in the Code of Conduct and Business Ethics, as well as the conflict-of-interest policies detailed in the employee handbook. Employees are introduced to these guidelines during orientation and induction sessions, where violations of this code will result in disciplinary action.

Our commitment extends beyond our employees to include our suppliers, sub-contractors and business partners. We communicate our anti-corruption and anti-bribery policies to them at the start of our working relationships. Our Finance Department exercises rigorous oversight to prevent irregular payments or receipts, implementing controls and procedures to protect the integrity of financial transactions.

To support a culture of transparency and facilitate the confidential reporting of suspected non-compliance, we have established a whistleblowing mechanism accessible to all employees and stakeholders. Reports are directed to the Chairman of the Audit & Risk Management Committee ("ARMC"). The ARMC reviews these complaints at its meetings, ensuring thorough investigations and appropriate follow-up. In cases involving serious offences or criminal activity, the ARMC and the Board can consult external advisors and, when necessary, submit a formal report to the relevant government or regulatory authority.

In FY 2024, there were no known incidents of corruption or bribery, nor any reports of non-compliance with applicable environmental and socioeconomic laws and regulations. We strive to keep this record of zero occurrences.

For further details on Qian Hu's corporate governance structures and practices for FY 2024, in line with the principles and provisions of the revised Code of Corporate Governance and the accompanying Practice Guidance, please refer to pages 85 to 112 of this Annual Report.

Our Economic Performance

Our internal and external stakeholders expect us to achieve financial excellence while also making a positive impact on the societies and communities in which we operate. As such, Qian Hu's daily operations and approach are focused on financial performance while creating sustainable value for all stakeholder groups.

We have outlined our contributions to employees, government, capital providers, as well as profits retained for reinvestment and future growth, and non-production costs and income.

Summary of Value-Added Statements

(\$'000)	2024	2023	2022	2021	2020
Gross value-added from operations	17,557	15,829	17,077	19,019	19,144
Total value-added available for distribution	20,789	11,952	21,176	23,051	19,842
Distribution of Group's value-added:					
To employees	16,397	15,590	15,728	15,469	13,246
To government	341	300	385	431	309
To providers of capital	696	792	693	479	726
Retained for re-investment and future growth	3,161	(6,451)	4,492	5,370	2,065
Non-production costs and income	194	1,721	(122)	1,302	3,496
Total distribution	20,789	11,952	21,176	23,051	19,842

For more information on our financial performance, please refer to the "Financial Review" on pages 30 to 40 of this Annual Report.

Our Investor Relations Efforts

As a listed entity, our priority 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.

Compliance-wise, we adhere strictly to the SGX-ST's Code of Corporate Governance and other prevailing laws and regulations governing disclosures. Our compliance culture is built on principles of integrity, transparency, responsiveness and a deep respect for the spirit and letter of the law. This is reflected by the numerous Corporate Awards we have received and our consistent top-tier standings in the Singapore Governance and Transparency Index ("SGTI") over the years.

In FY 2024, we were honoured to receive the "Best Risk Management – Silver" award (for companies with less than \$300 million in market capitalisation) at the Singapore Corporate Awards 2024. We also garnered the "Shareholder Communication Excellence – Winner" award (Small Caps category) at the Securities Investors Association (Singapore) Investors' Choice Awards 2024.

Our Executive Chairman and CEO engages regularly with analysts and fund managers to understand their concerns and needs. We also engage media whenever possible to share our views, updates on our strategies, developments and industry insights - providing a broader audience with an informed view of the Group's business prospects.

Since November 2019, Qian Hu has also been part of the "SGX Fast Track" programme, which prioritises the clearance of corporate action submissions. This programme recognises listed issuers that have maintained high standards of corporate governance and a strong compliance record, reflecting our dedication to upholding excellent governance practices over the years.



Mr Yap Kok Cheng, Executive Chairman and CEO, receiving the "Best Risk Management – Silver" award at the Singapore Corporate Awards 2024.

Sustainability Report

Key components of our best practices in Investor Relations include:

Financial Reporting	<ul style="list-style-type: none"> • Release unaudited half-year results within 20 days after the close of the financial period and audited full-year results within 15 days after the end of the financial year • Results announcements accompanied by press releases in both English and Mandarin, providing highlights of the results and analysis of the Group's performance • All results and material announcements publicly accessible on the SGXNET and the Company's corporate website (www.qianhu.com)
Annual General Meeting	<ul style="list-style-type: none"> • Post detailed minutes of the AGM on the SGXNET and the Company's corporate website within seven business days of the meeting • Offer various communication channels, including website and email, to enable shareholders who may not be able to attend the AGM in person to share their input and feedback
Investor Relations/ Website & Contacts	<ul style="list-style-type: none"> • Real-time updates of SGX announcements, financial results, annual reports (including sustainability reports), financial presentations, corporate governance reports, investors' questions and answers (Q&A), and minutes of AGM available on the investor relations site – http://qianhu.listedcompany.com • Provide dedicated investor relations email addresses to ensure timely responses to queries, suggestions and clarifications

FINANCIAL CALENDAR					
	Full-Year Results Announcement	Notice of Annual General Meeting	Annual General Meeting	Payment of Final Dividend	Half-Year Results Announcement
FY 2024	12 Jan	28 Feb	27 Mar	24 Apr	19 Jul
FY 2025	15 Jan	5 Mar	3 Apr	30 Apr	18 Jul



GRI CONTENT INDEX

GRI Standards	Disclosure		Page Reference
GRI 2: General Disclosures 2021	2-1	Organisational details	4
	2-2	Entities included in the organisation's sustainability reporting	42
	2-3	Reporting period, frequency and contact point	42
	2-4	Restatements of information	Not Applicable
	2-5	External assurance	42
	2-6	Activities, value chain and other business relationships	2, 3 and 5
	2-7	Employees	64 to 67
	2-8	Workers who are not employees	Not Applicable
	2-9	Governance structure and composition	44 and 88
	2-10	Nomination and selection of the highest governance body	91 to 95
	2-11	Chair of the highest governance body	44, 93 and 94
	2-12	Role of the highest governance body in overseeing the management of impacts	44
	2-13	Delegation of responsibility for managing impacts	44
	2-14	Role of the highest governance body in sustainability reporting	44
	2-15	Conflicts of interest	87
	2-16	Communication of critical concerns	No critical concerns raised during the reporting period
	2-17	Collective knowledge of the highest governance body	The Board of Directors have attended the sustainability training courses for Directors prescribed by SGX; Corporate Governance Report (Seminars and Trainings Attended by Directors in FY 2022)
	2-18	Evaluation of the performance of the highest governance body	44
	2-19	Remuneration policies	97 to 101
	2-20	Process to determine the remuneration	97 and 98
	2-21	Annual total compensation ratio	175 and 177
	2-22	Statement on sustainable development strategy	43 to 49
	2-23	Policy commitments	47 to 49, 58, 62, 64 to 65, 69, 72 to 73 and 76
	2-24	Embedding policy commitments	47 to 49, 58, 62, 64 to 65, 69, 72 to 73 and 76
	2-25	Processes to remediate negative impacts	76
	2-26	Mechanisms for seeking advice and raising concerns	76
	2-27	Compliance with laws and regulations	76
	2-28	Membership associations	70
	2-29	Approach to stakeholder engagement	45
	2-30	Collective bargaining agreements	65
GRI 3: Material Topics	3-1	Process to determine material topics	46
	3-2	List of material topics	46

Sustainability Report

GRI CONTENT INDEX (Cont'd)

GRI Standards	Disclosure		Page Reference
Economic Performance			
GRI 3: Material Topics	3-3	Management of material topics	76
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	76
Business Ethics			
GRI 3: Material Topics	3-3	Management of material topics	76
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	76
	205-3	Confirmed incidents of corruption and actions taken	76
Biodiversity			
GRI 3: Material Topics	3-3	Management of material topics	62
GRI 304: Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	62
Animal Welfare			
GRI 3: Material Topics	3-3	Management of material topics	63
GRI 13: Agriculture Aquaculture and Fishing Sectors 2022	13.11.1	Animal Health and Welfare	63
Climate Change (Energy and Emissions)			
GRI 3: Material Topics	3-3	Management of material topics	58 and 59
GRI 302: Energy	302-1	Energy consumption within the organisation	59
	302-3	Energy intensity	59
	302-4	Reduction of energy consumption	59
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	61
	305-2	Energy indirect (Scope 2) GHG emissions	61
Climate Change (Water Management)			
GRI 3: Material Topics	3-3	Management of material topics	58 and 60
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	58 and 60
	303-5	Water consumption	60
Climate Change (Waste Management)			
GRI 3: Material Topics	3-3	Management of material topics	62
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	62
	306-4	Waste diverted from disposal	62
Diversity and Equality			
GRI 3: Material Topics	3-3	Management of material topics	64 to 67
GRI 401: Employment	401-1	New employee hires and employee turnover	65 to 67
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64 to 67
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	64 to 67
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	65
GRI 408: Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	65
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	65

GRI Standards	Disclosure		Page Reference
Diversity and Equality			
GRI 13: Agriculture Aquaculture and Fishing Sectors 2022	13.20.1	Employment Practices	64 to 67
Training and Development			
GRI 3: Material Topics	3-3	Management of material topics	68
GRI 404: Training and Education	404-1	Average hours of training per year per employee	68
	404-2	Programs for upgrading employee skills and transition assistance programs	68
Customer Satisfaction			
GRI 3: Material Topics	3-3	Management of material topics	72
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72
Innovation (Non-GRI Topic)			
GRI 3: Material Topics	3-3	Management of material topics	75
Supply Chain Management			
GRI 3: Material Topics	3-3	Management of material topics	71
Health and Safety			
GRI 3: Material Topics	3-3	Management of material topics	69 and 73
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	69
	403-9	Work-related injuries	69
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	73
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	73
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labelling	73
	417-2	Incidents of non-compliance concerning product and service information and labelling	73
	417-3	Incidents of non-compliance concerning marketing communications	73
Community Engagement			
GRI 3: Material Topics	3-3	Management of material topics	70
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	70

Sustainability Report

TCFD CONTENT INDEX

In FY 2024, Qian Hu enhanced our climate-related disclosures to further align with TCFD recommendations, focusing on the four key pillars: governance, strategy, risk management, metrics and targets. Qian Hu further assessed the potential impacts of two climate scenarios on our business segments over three time horizons: short-term (2030), medium-term (2050) and long-term (2100) through a comprehensive qualitative climate scenario analysis.

The table below presents our updated disclosures under the four TCFD pillars, reflecting the Group's ongoing efforts to adapt to evolving climate challenges and strengthen our sustainability practices.

TCFD Recommended Disclosure	Qian Hu's Approach	Page Reference
Governance		
Describe the board's oversight of climate-related risks and opportunities	<p>Qian Hu has a dedicated governance framework in place 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 long-term interests and create value for the shareholders.</p> <p>The Board has oversight of the Group's sustainability approach and the integration of sustainability-related matters, including climate-related issues, in the formulation of the Group's strategy. The Board is updated on climate-related risks and opportunities and actions taken by management. The Board meets regularly to track progress, raise issues or concerns and obtain input and feedback.</p> <p>The Board approves the Sustainability Report, which provides comprehensive sustainability disclosures.</p>	44
Describe management's role in assessing and managing climate-related risks and opportunities	<p>The Executive Chairman and CEO reports to the Board on all sustainability matters, including climate-related issues that affect our local and overseas markets. He chairs the Sustainability Committee which spearheads the Group's sustainability projects, sets performance benchmarks, as well as provides oversight and guidance to the Sustainability Reporting Team.</p> <p>The Sustainability Reporting Team comprising representatives from each operating entity who have been delegated with specific sustainability reporting roles, executes, monitors and reports on the sustainability efforts, including climate-related issues.</p>	44



TCFD Recommended Disclosure	Qian Hu's Approach	Page Reference
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	<p>In FY 2024, Qian Hu conducted a qualitative climate scenario analysis to identify and assess climate-related risks and opportunities relevant to the Group. This analysis evaluated the potential impacts of these risks and opportunities on our business operations, costs, and strategic objectives, enabling us to proactively manage risks and seize opportunities to remain sustainable and competitive. The scenario analysis covers our portfolio across three time horizons – 2030 (short-term), 2050 (medium-term), and 2100 (long-term) – using two climate scenario pathways: a 4°C scenario (RCP 8.5) and a Below 2°C scenario (RCP 2.6).</p> <p>The assessment explores how these risks could impact our financial performance and strategic goals. Details of existing mitigation measures and their associated impacts are outlined in the Climate Scenario Analysis section (refer to pages 52 to 55). Plans are underway to conduct a quantitative climate scenario analysis, enabling us to quantify the financial impacts of climate-related risks and opportunities.</p> <p>Recognising the critical importance of proactive mitigation and adaptation, Qian Hu regularly reviews its climate-related strategies and targets against industry best practices and global standards. For updated targets aimed at managing climate risks, refer to the Metrics and Targets section below.</p>	50 to 57
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning		
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		
Risk Management		
Describe the organisation's processes for identifying and assessing climate-related risks	<p>A structured three-step process has been established to systematically identify and assess climate-related risks:</p> <p>1. Data Collection and Analysis</p> <p>Climate-related projections and transition trends were extracted and analysed through a review of publicly available resources and peer practices. This ensured that identified risks and opportunities were aligned with current climate projections.</p> <p>2. Engagement with Key Stakeholders</p> <p>Selected senior management were interviewed to validate identified risks, opportunities, and impacted assets. This engagement ensured alignment with business priorities and provided insights into climate risk perceptions across various departments.</p> <p>3. Risk Assessment and Ranking</p> <p>Identified risks were assessed and ranked based on defined criteria for likelihood and magnitude, leading to the development of a comprehensive climate risk register. The risks were subsequently validated and reviewed by the Board and senior management.</p> <p>This systematic approach enables Qian Hu to gain valuable insights into climate-related risks, supporting informed decision-making and alignment with its sustainability objectives.</p>	-
Describe the organisation's processes for managing climate-related risks	Qian Hu incorporates climate change and environmental risks into its organisation risk management framework, applying the same approach to managing climate-related risks.	50
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	<p>The Group's Enterprise Risk Management (ERM) Framework is designed to strengthen confidence in our strategies, businesses, and operations by ensuring that key risks are systematically and effectively identified, assessed, and managed.</p> <p>Following the completion of the qualitative climate scenario analysis, Qian Hu will update its ERM framework to fully integrate climate-related risks, ensuring a comprehensive approach to risk management.</p>	-

Sustainability Report

TCFD CONTENT INDEX (Cont'd)

TCFD Recommended Disclosure	Qian Hu's Approach	Page Reference															
Metrics and Targets																	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>The Group uses the following metrics to assess the climate-related risks and measure its performance against the targets:</p> <ol style="list-style-type: none"> 1) energy consumption; 2) energy use intensity; 3) emissions (Scope 1, 2, and selected Scope 3); 4) water consumption; 5) water use intensity; and 6) waste recycling. 	58 to 62															
Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas emissions and the related risks	<p>Emissions</p> <table> <tr> <td>Scope 1 emissions (tCO₂e)</td><td>FY 2024</td><td>FY 2023</td></tr> <tr> <td>Scope 2 emissions (tCO₂e)</td><td>689</td><td>665</td></tr> <tr> <td>Selected Scope 3 emissions (tCO₂e)</td><td>2,799</td><td>2,834</td></tr> <tr> <td>Selected Scope 3 emissions (tCO₂e)</td><td>56,359</td><td>55,028</td></tr> <tr> <td>Total emissions (tCO₂e)</td><td>59,847</td><td>58,527</td></tr> </table>	Scope 1 emissions (tCO ₂ e)	FY 2024	FY 2023	Scope 2 emissions (tCO ₂ e)	689	665	Selected Scope 3 emissions (tCO ₂ e)	2,799	2,834	Selected Scope 3 emissions (tCO ₂ e)	56,359	55,028	Total emissions (tCO ₂ e)	59,847	58,527	61
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Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<p>The Group's target is to reduce water and energy use intensity by 10% by FY 2025 using FY 2020 as the baseline year.</p> <p>Qian Hu intends to set GHG emission reduction targets in qualitative terms and to monitor in quantitative terms in the future as part of our decarbonisation efforts.</p>	58															

