



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

Minutes of the Twenty-Fifth Annual General Meeting of the Company held at No. 71 Jalan Lekar, Singapore 698950 on Wednesday, 27 March 2024 at 11.10 a.m.

Present

Board of Directors:

1. Mr Kenny Yap Kim Lee – Executive Chairman
2. Mr Yap Kok Cheng – Executive Director and Chief Executive Officer
3. Ms Soong Wee Choo – Lead Independent Non-Executive Director
4. Dr Ling Kai Huat – Independent Non-Executive Director
5. Ms Sharon Yeoh Kar Choo – Independent Non-Executive Director

In Attendance:

1. Ms Lai Chin Yee – Finance Director and Company Secretary

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in this minutes.

Chairman of the Board of Directors, Mr Kenny Yap Kim Lee, chaired the Annual General Meeting (“AGM”). Having noted that a quorum was present, he called the meeting to order.

Chairman thanked shareholders and all those present for their attendance. With permission of the meeting, the notice convening the meeting was taken as read.

Chairman informed that the Company did not receive any question from shareholders prior to the AGM.

Chairman informed that in his capacity as Chairman of the meeting, he had been appointed as proxy by a number of shareholders and that he would be voting in accordance with their instructions.

Chairman further informed that voting on all resolutions to be passed at the AGM would be conducted by poll. He then demanded for a poll in accordance with the provisions of the Constitution of the Company. The meeting also noted that under the Constitution, where a poll is demanded, it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

The meeting noted that there would be six ordinary resolutions to be passed at the AGM. Chairman assured shareholders that they would be given the opportunity to ask questions before casting their votes by poll. Polling shall be conducted in a paperless manner using a wireless handheld device.

Chairman then announced that polling services would be provided by Complete Corporate Services Pte. Ltd. (“CCS”). Moore Stephens LLP was appointed as the scrutineer. A representative from CCS explained the rules on the poll voting process to the shareholders and conducted a test resolution to familiarise shareholders with electronic poll voting.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

ORDINARY BUSINESS

1. Adoption of Directors' Statement and Audited Financial Statements

The following Ordinary Resolution No. 1 was proposed and seconded:-

“That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Auditors' Report thereon be and are hereby received and adopted.”

Chairman invited questions from the shareholders present on the Reports and Financial Statements for the financial year ended 31 December 2023 (“FY 2023”).

One of the shareholders present raised concerns on the amount of loss on biological assets of approximately \$7.4 million due to the disposal of a substantial portion of its dragon fish brooder stocks which resulted in the Group's significant loss registered in FY 2023. He noted that the loss on biological assets was significant in comparison to the Group's net assets of \$41.7 million as at 31 December 2023 and Qian Hu's market capitalisation of approximately \$20 million (as at 26 March 2024) and would like to further understand the background of the disposal and if such significant assets write-off would take place again in future.

Chairman informed that the Company had responded to a similar query raised by SGX in relation to the disposal and loss on biological assets for FY 2023 via the SGXnet on 18 January 2024.

Chairman then commented that as disclosed in the Company's results announcement dated 12 January 2024, the mass market dragon fish species have experienced oversaturation and declining prices over the past years. Coupled with the low birth rates of the brooder stocks due to unfavorable weather conditions, it had affected the performance of the Group's ornamental fish business. When Covid-19 hit globally in Year 2020 and as business activities resumed in early 2022, the recovery of China's economy, which is one of dragon fish's biggest markets, remained lackluster. Accordingly, the projected revenue generated from the offspring of the brooder stocks became unsustainable and could no longer justify their carrying value. The impairment assessment performed on these brooder stocks in accordance with the relevant accounting standards signified a considerable amount of impairment loss on these brooder stocks for FY 2023. This was shortly after an impairment loss of \$2 million registered in FY 2020.

As such, after much deliberation, the Group made a strategic decision to reduce its efforts in dragon fish breeding and to let go of a substantial portion of the brooder stocks in order to free up valuable resources and land space to be redeployed to explore new business activities that would generate better value for the Group. The Group will only focus on the production of selected higher-value albino varieties of dragon fish, as well as implementing new strategies to grow its dragon fish trading business.

Chairman envisaged that Group should not encounter such substantial write-off or write-down of assets in the future. He affirmed that all decisions made were in the best interest and benefit of the Company and its shareholders. Any write-off or write-down of assets would take into consideration the circumstances and business environment and would be subject to the Management and Board's due deliberation.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

Ms Lai Chin Yee (“Ms Lai”), Finance Director, clarified that these brooder stocks are classified as non-current assets (*versus* inventory which are current assets). They are stated at cost less accumulated depreciation and any impairment losses.

Ms Lai went on to explained that the earthen ponds vacated by the brooder stocks would be converted to carry out the breeding and farming of certain species of ornamental fish using the innovative Aqua-Ring Technology (ART) system, which is an environmentally friendly integrated energy-efficient system with zero discharge. The selected ornamental fish to breed/farm are those in demand and that the move is to build up the Group’s resilience in the ornamental fish supply chain, in view of the consolidation of the local fish farms in Singapore and various breeders retiring from the trade. She added that as these brooder stocks are livestock, Qian Hu has the responsibility to ensure the survival and welfare of these living species. As such, to continue holding onto these brooder stocks, the Group would incur maintenance costs (e.g, fish feeds, water and electricity and land rental, etc.), while hindering the implementation of new strategies and the scaling up of alternate business opportunities, which is not in the best interest of the Group from the business perspective. Moreover, an impairment loss on these biological assets at the reporting date was inevitable, given the significantly lower recoverable amount.

Noted that the dragon fish revenue was included in the Group’s fish business segment, the shareholder would like to know the amount of dragon fish revenue as a percentage of the total revenue of the Group, to which Ms Lai replied that the dragon fish revenue made up less than 5% of the total revenue of the Group in FY 2023.

The same shareholder further requested for a breakdown of the amount aquaculture revenue included in the Group’s fish revenue and an update on the business activities of the Group’s aquaculture business since the Group kick-started this business in 2017.

Ms Lai responded that aquaculture business constituted not more than 10% and 5% of the fish revenue and total revenue of the Group respectively in FY 2023.

Mr Yap Kok Cheng (“Mr Yap”), Chief Executive Officer, shared that the Group is dealing in the farming of antibiotic-free edible fish fingerlings in the Hainan Province and the export of edible seafood from Hainan to Southeast Asia. In Singapore, Qian Hu has invested in R&D and focused on performing trials using sustainable solution, such as the AquaEasy application, and pilot tested the energy-efficient ART system for the farming of Marble Goby. During this period, the Group has yet to move on to a second aquaculture farm, which explained the disappointing revenue contribution after seven years.

Mr Yap added that the Group is setting up a new farm in Malaysia to farm the highly popular Marble Goby in FY 2024. It aimed to replicate and bring the same proven farming practices within aquaculture facilities in China closer to customers. He believed that the new farm in Malaysia would increase and stabilise the Group’s supplies of Marble Goby, as well as to enable the expansion of its market penetration by broadening the distribution network. Currently, Qian Hu supplied approximately 50% of the live Marble Goby in Singapore. In the near future, the Group is looking to produce other seafood favourites with increased pond capacity.

These efforts would also constitute an important part of Qian Hu’s contribution towards Singapore’s “30 by 30” goal of ensuring 30% of the local food needs can be met from domestic production by 2030.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

To the follow-on question from the same shareholder on whether ornamental fish or aquaculture business would be a bigger segment in future, Mr Yap explained that the ornamental fish business would remain as one of the core businesses of the Group as it currently exports to more than 80 countries and cities around the world, while the aquaculture business is positioned as a regional player with farming and trading activities in China, Malaysia and Thailand. Mr Yap added that it is the intention of the Group to expand the type of edible fish species to farm, to identify reliable supply sources, and to be able to sell to more customers, given the immense potential of the market. The Group would expect the aquaculture business to become one of the main revenue contributors going forward.

Mr Yap reiterated that both the fish and accessories are core business segments of the Group. On the accessories front, the sales of accessories for dogs, cats and small animals have been on the uptick and the Group intended to ride on this rising demand by expanding its pet food, medication and accessory categories for export and domestic sales. Over the years, the Group has developed various pet accessories brands, but they have largely been complementary to mainstay ornamental fish business. The Group has since made expansions in the consumables category for cats by introducing products such as high-volume cat litter, and the Group is poised to accelerate coverage of this segment. In time to come, the pet segment is expected to expand further and emerge to be another growth pillar for Qian Hu, overtaking the revenue contribution derived from aquarium accessories.

As for the fish segment, Mr Yap informed that the export of ornamental fish business would continue to generate steady revenue for the Group, while the aquaculture business included therein should excel, propel by the contributions from new farms and trading activities in China, Malaysia and Thailand.

The shareholder would also like the management to elaborate on Qian Hu's collaboration with AquaEasy Pte Ltd ("AquaEasy") and the application of its solutions in aquaculture.

Mr Yap informed that AquaEasy is an aquaculture solutions provider, which offers digitalisation and data analytics to the aquaculture farming community, with operations currently in Singapore, Indonesia and Vietnam. Qian Hu is the exclusive distribution agent for AquaEasy's solutions in Malaysia, Thailand and China for a period of five years from December 2021.

Mr Yap updated that the strategic partnership with AquaEasy has enabled Qian Hu to deploy Artificial Intelligence ("AI") and Internet-of-Things ("IoT")-based solutions into farming. This technology streamlines the monitoring of different aspects of the pond environment, such as dissolved oxygen levels, water pH and livestock behaviour patterns. The real-time information obtained from the sensor readings allows the farmers to always maintain the best possible pond conditions and administer an optimal amount of feeds for the livestock, hence, helping to enhance productivity, predictivity and the implementation of sustainable aquaculture practices while reducing risks and costs. Qian Hu has since established AquaEasy's footprint in Malaysia and Thailand through the distribution rights of the sustainable aquaculture solutions. The Group is also working with AquaEasy to develop a local version for the China market.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

Mr Yap added that other than the AquaEasy applications, the Group continued to embrace and evaluate new and evolving technologies to improve its farming techniques. In FY 2023, the Group pilot tested the Aqua-Ring Technology (ART) system in Singapore – an environmentally friendly integrated energy-efficient system with zero discharge. This standalone system also enhances biosecurity, with minimal risk of disease outbreaks and cross-contamination. The ART system can accommodate both freshwater and marine species and is ideal for intensive breeding and farming. It allows the scaling of the breeding activities exponentially, with an increased efficiency over the conventional breeding system.

As there were no further questions, Ordinary Resolution No. 1 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.

The voting results of the poll were as follows:

Ordinary Resolution 1 – Adoption of Directors’ Statement and Audited Financial Statements

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,499,537	99.99
Number of votes “AGAINST”	8,000	0.01
Total number of votes cast	<u>56,507,537</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 1 carried.

2. Declaration of final dividend

The following Ordinary Resolution No. 2 was proposed and seconded:-

“That a final dividend of 0.3 cents Singapore Dollar per ordinary share one-tier tax exempt for the financial year ended 31 December 2023 be paid on 24 April 2024 to members registered in the books of the Company on 11 April 2024.”

As there were no questions, Ordinary Resolution No. 2 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.

The voting results of the poll were as follows:

Ordinary Resolution 2 – Declaration of final dividend

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,498,937	99.99
Number of votes “AGAINST”	8,000	0.01
Total number of votes cast	<u>56,506,937</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 2 carried.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

3. Re-election of Director – Dr Ling Kai Huat

Chairman informed the meeting that Dr Ling Kai Huat and Ms Sharon Yeoh Kar Choo were to retire pursuant to Regulation 91 of the Company's Constitution.

Dr Ling Kai Huat had consented to offer himself for re-election. Chairman informed that upon re-election, Dr Ling Kai Huat would be considered an independent director of the Company and would remain as member of the Company's Audit & Risk Committee and Nominating Committee and the Chairman of the Remuneration Committee.

Ms Sharon Yeoh Kar Choo, who served on the Board beyond nine years from the date of her first appointment, shall retire as a director after the conclusion of the AGM pursuant to Rule 210(5)(d)(iv) of the SGX-ST Listing Manual. The Board put on record its gratitude and appreciation to Ms Sharon Yeoh Kar Choo for her invaluable contributions during her tenure as director of the Company.

The following Ordinary Resolution No. 3 was duly proposed and seconded:-

“That Dr Ling Kai Huat, who retired pursuant to Regulation 91 of the Company's Constitution, being eligible and offering himself for re-election be and is hereby re-elected as Director of the Company.”

A shareholder, tapping on the background and experience of Dr Ling Kai Huat (“Dr Ling”), sought his view on the business segment(s) that the Group should focus on.

Dr Ling commented that Qian Hu's diversification into aquaculture business is essential as edible seafood is a fundamental source of human food supplies. The Group should work towards increasing its revenue contribution and improving its profitability from this business segment. Nonetheless, he acknowledged that the Group's ornamental fish business, with an established ecosystem and proven customer base, is a stable market segment. The Group should also aim to breed and farm highly specialised varieties of ornamental fish to enhance value for the Group.

The shareholder went on to ask how the Group could compete in the aquaculture business with keen competition from existing market players, coupled with possible high capital investment.

Dr Ling agreed with the shareholder. He commented that to mitigate the high infrastructure costs, Qian Hu has invested in R&D, installed high-tech tanks and specially designed filtration systems to enhance efficiency and to overcome land space limitation in Singapore. In order to scale up its efforts and to develop the long-term resilience of its aquaculture supply chain, the Group has intention to set up farms in Malaysia and Thailand for the breeding and farming of edible fish.

As there were no further questions, Ordinary Resolution No. 3 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

The voting results of the poll were as follows:

Ordinary Resolution 3 – Re-election of Director – Dr Ling Kai Huat

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,484,487	99.99
Number of votes “AGAINST”	8,000	0.01
Total number of votes cast	<u>56,492,487</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 3 carried.

4. Approval of Directors' Fees

The following Ordinary Resolution No. 4 was duly proposed and seconded:-

“That the payment of Directors’ fees of \$80,000/- for the financial year ended 31 December 2023 be and is hereby approved.”

As there were no questions, Ordinary Resolution No. 4 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.

The voting results of the poll were as follows:

Ordinary Resolution 4 – Approval of Directors’ Fees

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,435,774	99.86
Number of votes “AGAINST”	79,425	0.14
Total number of votes cast	<u>56,515,199</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 4 carried.

5. Re-appointment of Auditors

Chairman informed the meeting that KPMG LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The following Ordinary Resolution No. 5 was duly proposed and seconded:-

“That KPMG LLP be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

As there were no questions, Ordinary Resolution No. 5 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.

The voting results of the poll were as follows:

Ordinary Resolution 5 – Re-appointment of Auditors

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,413,062	99.78
Number of votes “AGAINST”	122,287	0.22
Total number of votes cast	<u>56,535,349</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 5 carried.

6. Any Other Business

As there was no other business, Chairman proceeded to the Special Business of the meeting.

SPECIAL BUSINESS

Ordinary Resolution

7. General Mandate to authorise the Directors to issue shares or convertible securities

The following Ordinary Resolution No. 6 was duly proposed and seconded-

“That pursuant to Section 161 of the Companies Act 1967 (the “Act”), the Constitution and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) *allot and issue shares in the capital of the Company (“Shares”) (whether by way of rights, bonus or otherwise); and/or*
- (ii) *make or grant offers, agreements, or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,*
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and*
- (b) *(notwithstanding the authority conferred by this Resolution may have ceased to be in force):*
- (i) *issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and*



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

- (ii) *issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in (b)(i) above,*

provided that:

- (1) *the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and*
- (2) *(subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:*
- (a) *new Shares arising from the conversion or exercise of convertible securities;*
- (b) *new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and*
- (c) *any subsequent bonus issue, consolidation or subdivision of Shares;*
- (3) *in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and*
- (4) *(unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."*

Another shareholder present would like to understand why there is a need to seek shareholders' approval for the issuance of more shares given the Company has sufficient cash.

Chairman replied that this is a standard ordinary resolution included as a Special Business in the agenda of the AGM. The Company would like to obtain a general mandate from its shareholders to allow for the allocation and issuance of new shares, so that it would not require to conduct an Extraordinary General Meeting to seek shareholders' approval when there is a need to allot and issue new shares before the next AGM. He reiterated that the Company has no intention to allot and/or issue new shares at this juncture.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

As there were no further questions, Ordinary Resolution No. 6 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided.

The voting results of the poll were as follows:

Ordinary Resolution 6 – General Mandate to authorise the Directors to issue shares or convertible securities

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	56,413,162	99.79
Number of votes “AGAINST”	120,287	0.21
Total number of votes cast	<u>56,533,449</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 6 carried.

There being no further business, the meeting ended at 11.54 a.m. Chairman thanked the support of all the shareholders of Qian Hu Corporation Limited.

**CONFIRMED AS A CORRECT RECORD
OF THE PROCEEDINGS OF THE MEETING**

KENNY YAP KIM LEE
CHAIRMAN