



PRESS RELEASE

Contact Information:

Tishrei Communications

Ho See Kim, seekim@tishrei.sg

Tel: 96313602

Qian Hu's 1H22 net profit dips 4.8% to \$816,000

- Revenue 4.0% lower, to \$38.1 million, due to weaker demand for Fish and Accessories in China due to its zero-Covid lockdowns while Ukraine war affected exports to Russia and the surrounding regions in Europe
- The Group expects its revenue to grow while achieving profitability in the second half of FY2022

\$'000	1H2022	1H2021	Change (%)
Revenue	38,107	39,714	(4.0)
Gross Profit	12,362	12,969	(4.7)
Net Profit	816	857	(4.8)

Period ended 30 June

SINGAPORE – 19 July 2022 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“Qian Hu” or “the Group”) today reported a 4.8% dip in its profit attributable to shareholders for the first half of FY2022 to \$816,000.

Group revenue similarly retreated by 4.0% to \$38.1 million, as its Fish and Accessories exports were affected by China’s zero-Covid lockdowns since the beginning of the year as well as the war in Ukraine.

Revenue by Segments

\$'000	1H2022	1H2021	Change (%)
Fish	14,467	15,386	(6.0)
Accessories	19,807	20,532	(3.5)
Plastics	3,833	3,796	1.0
	38,107	39,714	(4.0)

Period ended 30 June

Fish

Revenue from Fish segment declined by 6.0% to \$14.5 million as its Aquaculture business was impacted by China's pandemic lockdowns since January 2022 which dampened domestic demand and depressed fish fry prices. This was, however, mitigated by increased Aquaculture activities outside China, such as in Malaysia and Singapore, after Covid restrictions eased in the region. In addition, the extensive reduction in air cargo capacity and flight frequencies had hindered Qian Hu's export business activities from China.

The war in Ukraine had also affected the Group's Ornamental Fish exports to Russia and the surrounding regions in Europe.

Accessories

The Accessories segment similarly saw a 3.5% dip in first-half revenue to \$19.8 million due to China's zero-Covid policies coupled with the poor consumer sentiments globally as a result of trade disruptions, geo-political tensions and economic uncertainties.

Plastics

Plastics revenue, however, improved slightly by 1.0% to \$3.8 million, thanks to the stabilization of its customer base as the Group focused on selling products with sustainable margins, such as essential items used to enhance hygiene protocols for the food and beverage packing and healthcare sectors.

Profit Before Tax by Segments

\$'000	1H2022	1H2021	Change (%)
Fish	1,691	1,324	27.7
Accessories	582	804	(27.6)
Plastics	248	447	(44.5)
Unallocated Corporate Expenses	(1,435)	(1,471)	2.4
	1,086	1,104	(1.6)

Period ended 30 June

Fish

Despite lower revenue in the latest first-half, pre-tax profit from the Group's Fish segment rose 27.7% to \$1.7 million boosted by higher handling fees in Aquaculture transshipments.

Accessories

The operating profit from the Accessories segment declined by 27.6% to \$582,000, however, was in line with lower sales.

Plastics

The Group's Plastics segment saw a 44.5% decrease in pre-tax profit to \$248,000, largely due to higher raw material prices and a gradual increase in overall operational costs in 1H22.

EPS, NAV Per Share and Cash Balance

For the latest half year, the Group achieved earnings per share of 0.72 Singapore cent while net asset value per share rose to 42.88 Singapore cents as at 30 June 2022. The Group's cash and cash equivalents amounted to \$20.4 million.

Mr Yap Kok Cheng, Qian Hu's Chief Executive Officer, said: "Moving into the second half of FY2022, we anticipate that the overall business environment will be even more challenging, given the global supply chain disruptions brought about by the war in Ukraine and China's zero-Covid policy."

"The inflationary pressures arising from these widespread disruptions, along with higher energy, inventory and finance costs, will continue to affect our short-term profitability," Mr Yap added.

Going forward, the Group will continue to seize opportunities for growth, develop new capabilities and become more competitive while focusing on its core strengths and long-term business prospects. Barring unforeseen circumstances, Qian Hu expects its revenue to grow while achieving profitability in the second half of FY2022.

###

About Qian Hu Corporation Limited

Incorporated in 1998, Qian Hu is an integrated ornamental fish service provider – providing a spectrum of services involving distribution of well over 1,000 species and varieties of ornamental fish from all around the world as well as the manufacturing and distribution of a wide range of aquarium accessories, including pet foods and medications.

In 2017, the Group kick-started its aquaculture business, farming antibiotic-free edible fish fingerlings in Hainan Province, China. It also deals in the export of edible fish and seafood from Hainan to Southeast Asia, and the import of other edible fish and seafood from the rest of the world into China. Its two farms occupy a combined land area of 10,000 square metres and have more than 200 tanks to rear a host of edible fish and seafood.

Since its listing in 2000, Qian Hu (which means “Thousand Lakes” in Chinese), has been recognised for its best practices in corporate transparency and governance – such as the Securities Investors Association of Singapore’s Most Transparent Company Awards, and various accolades by the organisers of the Singapore Corporate Awards - Best Managed Board, Chief Financial Officer of the Year, Best Investor Relations and Best Annual Report Awards. Since the inception of Singapore Corporate Awards, Qian Hu has bagged numerous awards – to date, 14 in total (nine Gold, two Bronze, two Merit and the Best Chief Financial Officer Award). The Group was a runner-up in the Singapore Corporate Governance Award 2017 (Consumer Discretionary category) organised by the Securities Investors Association of Singapore.

In 2012, the Group won top honours amongst SMEs at the Singapore Sustainability Awards organised by the Singapore Business Federation and attained “Application Level C” from Global Reporting Initiative (GRI), the international standard for sustainability reporting.