



PRESS RELEASE

Contact Information:

Tishrei Communications

Ho See Kim, seekim@tishrei.sg

Tel: 96313602

Qian Hu posts lower 1H23 net profit

- *First half revenue dips by 9.9% to \$34.3 million, hit by geopolitical conflicts and trade tensions*

\$'000	1H2023	1H2022	Change (%)
Revenue	34,345	38,107	(9.9)
Gross Profit	11,788	12,362	(4.6)
Net Profit	30	816	(96.4)

Period ended 30 June

SINGAPORE – 18 July 2023 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**” or “**the Group**”) announced today that its profit attributable to shareholders for the first half of FY2023 ended 30 June dipped 96.4% to \$29,749.

This was on the back of Group revenue retreating by 9.9% to \$34.3 million, from weakening procurement sentiments of its customers around the world, which deeply affected the Group’s Fish and Accessories exports, and the reduction in handling income from Aquaculture transshipments.

Revenue by Segments

\$'000	1H2023	1H2022	Change (%)
Fish	14,176	14,467	(2.0)
Accessories	16,266	19,807	(17.9)
Plastics	3,903	3,833	1.8
	<u>34,345</u>	<u>38,107</u>	<u>(9.9)</u>

Period ended 30 June

Fish

Revenue from the Group's Fish segment, which comprised the Ornamental Fish and Aquaculture businesses, dipped by 2.0% to \$14.2 million. Exports of Ornamental Fish were affected by the on-going Russia-Ukraine conflict and the overall geopolitical and trading landscape.

This was, however, mitigated by its Aquaculture operations in Hainan, China which saw a recovery in revenue since the second half of 2022, thanks to the resumption in air cargo capacity and flight frequencies post-pandemic.

The Group will continue its efforts in increasing its ornamental fish sales by diversifying to more customers and countries around the world through its export hubs in Singapore, Malaysia, Thailand and Indonesia.

Accessories

The trade disruptions, geo-political tensions and economic uncertainties had also caused Qian Hu's customers around the world to be more cautious in their procurement, thereby affecting the Group's Accessories sales which declined by 17.9% to \$16.3 million in the first six months of the year.

Plastics

Qian Hu's Plastics business was the only bright spark in the Group's first half results, with its revenue rising 1.8% to \$3.9 million from selling products with sustainable margins such as essential items used to enhance hygiene protocols for the food and beverage and healthcare sectors.

Profit Before Tax by Segments

\$'000	1H2023	1H2022	Change (%)
Fish	1,046	1,691	(38.1)
Accessories	423	582	(27.3)
Plastics	352	248	41.9
Unallocated Corporate Expenses	(1,635)	(1,435)	(13.9)
	186	1,085	(82.9)

Period ended 30 June

Fish

In spite of the marginally lower revenue from the Fish segment recorded in the first half, operating profit from Fish decreased significantly by 38.1% to slightly over \$1.0 million due to the reduction in handling income from Aquaculture transshipments.

Accessories

Pre-tax profit from Accessories segment dipped 27.3% to \$423,000 in line with lower revenue.

Plastics

Higher sales, coupled with better margins, drove the Plastics segment's operating profit up 41.9% to \$352,000 in the latest first half.

The Group registered higher Unallocated Corporate Expenses, up 13.9% to \$1.6 million, due to increased corporate headcount, unfavourable foreign currency exchange rates as well as escalating finance costs.

EPS, NAV Per Share and Cash Balance

For the latest half year, the Group posted earnings per share of 0.03 Singapore cent while net asset value per share was maintained at 43.03 Singapore cents (as at 30 June 2023), down slightly from the year-ago period. The Group's cash and cash equivalents amounted to \$15.9 million.

Said Qian Hu's Chief Executive Officer, Mr Yap Kok Cheng: "The outlook for the rest of the year continues to be extremely challenging. Notwithstanding, we remain focused on strengthening our balance sheet by decreasing bank loans, prioritising cash flow and reducing inventory. Building resilience in our core businesses continues to be a top priority while we take our relatively new Aquaculture business beyond gestation. We have much to do to expand the trading of our seafood products as well as distribution of pets products in Southeast Asia."

Cautiously optimistic that Qian Hu will be able to overcome the adverse impact that the global environment has on its businesses, the Group will persist in seizing opportunities for growth, developing new capabilities while raising its competitiveness, and remaining focused on its core strengths and long-term prospects.

###

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, the Singapore Corporate Governance Award, Shareholder Communications Excellence Award 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, 17 in total (11 Gold, three Bronze, two Merit and the Best Chief Financial Officer Award).

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.