



PRESS RELEASE

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Qian Hu turns the tide with net profit of \$857K in 1H21

- Revenue rose 19.5% to \$39.7 million, thanks to a sustained recovery in its ornamental fish and aquaculture business, while sales of Accessories reached pre-pandemic levels.
- In 2HY21, the Group expects revenue to grow while continuing to achieve profitability

\$'000	1H2021	1H2020	Change (%)
Revenue	39,714	33,222	19.5
Gross Profit	12,969	10,710	21.1
Net Profit/(Loss)	857	(525)	263.1

Period ended 30 June

SINGAPORE – 16 July 2021 – 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 FY2021 jumped to \$857,000, reversing a net loss attributable to shareholders of \$525,000 in the year-ago period.

This was achieved on the back of a 19.5% leap in Group revenue to \$39.7 million, thanks to a sustained recovery in its export of ornamental fish and aquaculture business, while sales of aquarium and pet accessories had reached pre-pandemic levels.

Revenue by Segments

\$'000	1H2021	1H2020	Change (%)
Fish	15,386	11,885	29.5
Accessories	20,532	16,779	22.4
Plastics	3,796	4,558	(16.7)
	39,714	33,222	19.5

Period ended 30 June

Fish

The Group's Fish exports recovered since the lifting of border restriction and the gradual resumption of air traffic toward the latter part of FY2020, thereby elevating the segment's revenue by 29.5% to \$15.4 million in 1H21. Going forward, the Group will look to further strengthen and expand its domestic distribution network in each of its export hubs in Singapore, Malaysia, Thailand and China to mitigate the risks of future supply chain disruptions.

Accessories

The Accessories segment similarly saw a 22.4% jump in 1H21 revenue to \$20.5 million due to the resumption of business activities and export momentum as the Group continued to tap its existing distribution bases and network while exploring more untapped markets. The revenue posted in 1H21 was higher than what was achieved before the pandemic.

Plastics

Plastics revenue was down by 16.7% to \$3.8 million year-on-year due to the loss of a major customer since May 2020. The Group continued to generate revenue by selling products with sustainable margins, such as essential items used to enhance hygiene protocols for the food and beverage packing and healthcare sectors, instead of embarking on price wars with competitors.

Profit/(Loss) Before Tax by Segments

\$'000	1H2021	1H2020	Change (%)
Fish	1,324	(459)	388.5
Accessories	804	690	16.5
Plastics	447	724	(38.3)
Unallocated Corporate Expenses	(1,471)	(1,418)	(3.7)
	1,104	(463)	338.2

Period ended 30 June

Fish

Pre-tax profit from the Group's Fish segment surged by 388.5% to \$1.3 million, thanks to the boost in 1H21 revenue as well as higher handling fees from the handling of transshipment of edible fish and seafood products.

Accessories

The operating profit of the Accessories segment rose at a slower pace, compared to 1H21 sales because of the Group's continuing efforts to capture more sales which eroded profit margins slightly.

Plastics

The Group's Plastics segment saw a 38.3% dip in pre-tax profit to \$447,000, in line with the lower revenue recorded, which was further exacerbated by higher raw material prices and a gradual increase in overall operational costs in 1H21.

EPS, NAV Per Share and Cash Balance

For the latest half year, the Group reported earnings per share of 0.75 Singapore cent, and net asset value per share stood at 44.10 Singapore cents as at 30 June 2021. Its cash and cash equivalents amounted to \$21.6 million as at the end of the financial period.

Said Mr Yap Kok Cheng, Qian Hu's Chief Executive Officer: "We are gratified that our ornamental fish and aquaculture business, as well as our Accessories segments have made significant recovery despite the ongoing pandemic."

"Moving forward into the second half of FY2021, Qian Hu will continue its expansion plan as we expect to experience more normalcy moving forward. The growing pace of

mass vaccination exercises in key markets continue to provide hope for further recovery. Meanwhile, we will need to embrace the new normal as the pandemic will most probably become endemic.”

While we are not able to control the external environment, we can, however, do what we must to continually innovate and digitalise our operations. We believe that we have the right combination of quality products, a strategic roadmap and a strong business network that will continue to drive our performance. Barring unforeseen circumstances, the Group expects its revenue to grow while continuing to achieve profitability in the 2nd half of Year 2021.”

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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 January 2017, the Group announced that it had set up a subsidiary, Qian Hu Aquaculture (Hainan) Co., Ltd, to farm antibiotic-free edible fish, such as groupers, in Hainan Province, China. In November 2017, the Group incorporated another company – Tian Tian Fisheries (Hainan) Co., Ltd –, which 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.