



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

**HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT**

1(a) **STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Note	Group		Change %
		6 months ended 30 Jun		
		2020 \$'000	2019 \$'000	
Revenue		33,222	38,067	(12.7)
Cost of sales		(22,510)	(26,460)	(14.9)
<b>Gross profit</b>		<b>10,712</b>	<b>11,607</b>	<b>(7.7)</b>
Other income	i	409	2,010	(79.7)
		<b>11,121</b>	<b>13,617</b>	<b>(18.3)</b>
Selling & distribution expenses	ii	(1,030)	(1,171)	(12.0)
General & administrative expenses	iii	(10,039)	(11,775)	(14.7)
(Impairment loss) Reversal of impairment loss on trade receivables	iv	(317)	2	NM
<b>Results from operating activities</b>	v	<b>(265)</b>	<b>673</b>	<b>(139.4)</b>
Finance income	vi	31	21	47.6
Finance costs	vi	(229)	(305)	(24.9)
<b>(Loss) Profit before tax</b>		<b>(463)</b>	<b>389</b>	<b>(219.0)</b>
Tax expense	vii	(44)	(88)	(50.0)
<b>(Loss) Profit for the period</b>		<b>(507)</b>	<b>301</b>	<b>(268.4)</b>
(Loss) Profit attributable to:				
<b>Owners of the Company</b>		<b>(525)</b>	<b>273</b>	<b>(292.3)</b>
Non-controlling interests		18	28	(35.7)
<b>(Loss) Profit for the period</b>		<b>(507)</b>	<b>301</b>	<b>(268.4)</b>
Gross profit margin		32.2%	30.5%	
Net (loss) profit margin		(1.5%)	0.8%	
Effective tax rate		NM	24.2%	

NM: Not meaningful



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**STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2020**

	<b>Group</b>		
	<b>6 months ended 30 Jun</b>		
	<b>2020</b>	<b>2019</b>	<b>Change</b>
	\$'000	\$'000	%
<b>(Loss) Profit for the period</b>	(507)	301	(268.4)
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences			
- foreign operations, net of tax	(41)	237	(117.3)
<b>Other comprehensive income for the period, net of tax</b>	(41)	237	(117.3)
<b>Total comprehensive income for the period</b>	(548)	538	(201.9)
Total comprehensive income attributable to:			
<b>Owners of the Company</b>	<b>(590)</b>	<b>417</b>	<b>(241.5)</b>
Non-controlling interests	42	121	(65.3)
<b>Total comprehensive income for the period</b>	(548)	538	(201.9)

**Notes to Statement of Profit or Loss**

(i) **Other income**

Other income comprises:

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Gain on disposal of property, plant and equipment	*	*
Handling income (net)	328	1,970
Sundry income	81	40
	409	2,010

\* Amount less than \$1,000.

Handling income was derived from the handling of transhipments in relation to our aquaculture business. The decrease is in line with the decrease in aquaculture business activities during the current reporting period. (Please refer to page 17 – *Review of Group Performance* – for more details)

(ii) **Selling & distribution expenses** – decreased by \$141K or 12.0%

The reduction in selling and distribution expenses for the six months ended 30 June 2020 as compared to the corresponding period in 2019 was in line with the reduction in revenue contribution during the financial period.



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**Notes to Statement of Profit or Loss (cont'd)**

- (iii) **General & administrative expenses** – decreased by \$1.7 million or 14.7%  
The decrease in general and administrative expenses registered in the 1<sup>st</sup> half of 2020 was mainly due to lower personnel expenses incurred as a result of the payouts and rebates received which are intended to provide wage support to employers. The total amount of such grants and credits received during the six months ended 30 June 2020 amounted to approximately \$0.8 million.

In addition, the closure of international borders and the telecommuting arrangements implemented amid the Covid-19 outbreak, coupled with lower business activities undertaken by the Group in the 1<sup>st</sup> half of 2020, has resulted in lower travelling and other variable operating expenses, as compared to its corresponding period in 2019.

- (iv) **Impairment loss on trade receivables**  
The Group has recorded approximately \$0.3 million of impairment loss on its trade receivables for the six months ended 30 June 2020, in compliance with SFRS(I) 9 *Financial Instruments*, by ascertaining the amount of expected credit losses that would result from all possible default events over the expected life of these receivables.

- (v) **Results from operations**

This is determined after charging (crediting) the following:

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Auditors' remuneration		
- auditors of the Company	66	58
- other auditors	12	13
Non-audit fees		
- other auditors	19	5
Directors' fees		
- directors of the Company	50	55
Directors' remuneration		
- directors of the Company	405	498
- directors of subsidiaries	196	188
Amortisation of intangible assets	74	74
Depreciation of		
- property, plant and equipment	982	1,049
- right-of-use assets	627	338
- brooder stocks	120	120
Property, plant and equipment written off	3	**
Allowance for inventory obsolescence	178	31
Operating lease expenses	56	129
Personnel expenses *	6,318	7,727
Exchange gain, net	(283)	(145)

\* Include directors' remuneration.

\*\* Amount less than \$1,000.



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**Notes to Statement of Profit or Loss (cont'd)**

(v) **Results from operations (cont'd)**

The increase in depreciation of the right-of use (ROU) assets during the current financial period as compared to its corresponding period in 2019 was mainly due to depreciation charge incurred upon the recognition of additional ROU assets in accordance with SFRS(I) 16 *Leases*.

(vi) **Finance income**

**Finance costs**

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense		
- bank loans and overdrafts	170	264
- bills payable to banks	5	8
- lease liabilities	54	33
	<u>229</u>	<u>305</u>
Interest income		
- bank deposits	(31)	(21)
Net finance costs	<u>198</u>	<u>284</u>

The decrease in net finance costs by approximately 30.3% for the half year ended 30 June 2020 as compared to the corresponding period in 2019 was mainly due to lower interest rates charged by financial institutions during the current financial period.

(vii) **Tax expense**

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax expense		
- current year	44	94
- over provision in respect of prior year	-	(6)
	<u>44</u>	<u>88</u>

The Group incurred losses for the half year ended 30 June 2020. The current tax expense was in relation to the operating profits registered by the profitable entities.



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
<b>Assets</b>				
Property, plant and equipment	11,489,852	11,257,829	3,806,811	4,217,726
Intangible assets	7,112,143	7,186,476	3,045,713	3,106,713
Brooder stocks	10,160,252	10,280,387	10,160,252	10,280,387
Investments in subsidiaries	-	-	3,902,070	3,902,070
<b>Non-current assets</b>	<b>28,762,247</b>	<b>28,724,692</b>	<b>20,914,846</b>	<b>21,506,896</b>
Breeder stocks	119,640	119,730	119,640	119,730
Inventories	18,282,424	18,245,000	5,167,988	5,592,786
Trade receivables	12,827,105	15,757,241	6,782,346	8,303,395
Other receivables, deposits and prepayments	2,732,901	2,938,676	1,084,608	1,238,261
Due from				
- subsidiaries (trade)	-	-	15,898,596	15,580,094
- subsidiaries (non-trade)	-	-	3,051,880	3,042,778
Fixed deposits	2,127,084	2,095,252	699,833	678,357
Cash and bank balances	14,566,439	11,689,132	7,927,349	6,822,806
<b>Current assets</b>	<b>50,655,593</b>	<b>50,845,031</b>	<b>40,732,240</b>	<b>41,378,207</b>
<b>Total assets</b>	<b>79,417,840</b>	<b>79,569,723</b>	<b>61,647,086</b>	<b>62,885,103</b>
<b>Equity</b>				
Share capital	30,772,788	30,772,788	30,772,788	30,772,788
Reserves	17,690,509	18,621,143	8,388,233	9,188,585
<b>Equity attributable to owners of the Company</b>	<b>48,463,297</b>	<b>49,393,931</b>	<b>39,161,021</b>	<b>39,961,373</b>
<b>Non-controlling interests</b>	<b>2,535,747</b>	<b>2,493,407</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>50,999,044</b>	<b>51,887,338</b>	<b>39,161,021</b>	<b>39,961,373</b>
<b>Liabilities</b>				
Loans and borrowings	1,881,023	1,500,419	103,989	209,313
Deferred tax liabilities	70,452	70,595	-	-
<b>Non-current liabilities</b>	<b>1,951,475</b>	<b>1,571,014</b>	<b>103,989</b>	<b>209,313</b>
Trade payables	4,597,535	4,847,370	1,977,477	2,042,827
Other payables and accruals	3,799,536	4,645,436	2,539,401	3,502,722
Due to				
- subsidiaries (trade)	-	-	510,860	408,948
- subsidiaries (non-trade)	-	-	945,104	1,245,164
Loans and borrowings	17,752,017	16,307,349	16,201,777	15,307,299
Current tax payable	318,233	311,216	207,457	207,457
<b>Current liabilities</b>	<b>26,467,321</b>	<b>26,111,371</b>	<b>22,382,076</b>	<b>22,714,417</b>
<b>Total liabilities</b>	<b>28,418,796</b>	<b>27,682,385</b>	<b>22,486,065</b>	<b>22,923,730</b>
<b>Total equity and liabilities</b>	<b>79,417,840</b>	<b>79,569,723</b>	<b>61,647,086</b>	<b>62,885,103</b>



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
Inventory turnover (days)	149	117	82	86
Trade receivables turnover (days)	70	75	74	81
Debt equity ratio	0.56	0.53	0.57	0.57

**Notes to Statements of Financial Position**

(1) Intangible assets comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
Trademarks/customer acquisition costs/formulation rights	4,051,497	4,051,497	3,971,497	3,971,497
Product listing fees	196,153	196,153	196,153	196,153
Goodwill on consolidation	4,046,430	4,046,430	-	-
	8,294,080	8,294,080	4,167,650	4,167,650
Less accumulated amortisation	(1,181,937)	(1,107,604)	(1,121,937)	(1,060,937)
	7,112,143	7,186,476	3,045,713	3,106,713

Trademarks/customer acquisition costs/formulation rights relate to costs paid to third parties in relation to: -

- acquisition of trademarks rights of certain brands of pet food. Such costs were determined to have indefinite lives and are tested for impairment annually;
- acquisition of customer base, which is amortised over three years; and
- acquisition of trademarks and formulation rights of certain products, which are amortised over 25 years.

Product listing fees relate to costs paid to third parties in relation to the entitlements to list and sell the Company's products in certain supermarkets, and are amortised over three years.

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired. The goodwill balance is subject to annual impairment testing.



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**Notes to Statements of Financial Position (cont'd)**

(2) The details of subsidiaries are as follows:

Name of subsidiary	Effective equity interest held by the Group		Cost of investment by the Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	%	%	\$	\$
Qian Hu Tat Leng Plastic Pte. Ltd. (Singapore)	100	100	57,050	57,050
Qian Hu Aquarium and Pets (M) Sdn. Bhd. and its subsidiary: (Malaysia)	100	100	171,951	171,951
- Qian Hu The Pet Family (M) Sdn. Bhd. (Malaysia)	100	100	-	-
Qian Hu Development Sdn. Bhd. (Malaysia)	100	100	16,000	16,000
Beijing Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	171,824	171,824
Guangzhou Qian Hu OF Feed Co., Ltd (People's Republic of China)	100	100	126,170	126,170
Guangzhou Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	69,000	69,000
Qian Hu Aquaculture (Hainan) Co., Ltd (People's Republic of China)	100	100	1,240,393	1,240,393
Tian Tian Fisheries (Hainan) Co., Ltd (People's Republic of China)	60	60	377,683	377,683
Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (People's Republic of China)	100	100	13,668	13,668
Qian Hu Marketing Co Ltd (Thailand)	74	74	148,262	148,262
Thai Qian Hu Company Limited and its subsidiary:	60	60	121,554	121,554
- Advance Aquatic Co., Ltd (Thailand)	60	60	-	-
NNTL (Thailand) Limited (Thailand)	49 *	49 *	30,999	30,999
P.T. Qian Hu Joe Aquatic Indonesia (Indonesia)	97.25	97.25	1,357,516	1,357,516
			<u>3,902,070</u>	<u>3,902,070</u>

\* The Company has voting control at general meetings & Board meetings of NNNTL (Thailand) Limited.

The Company is in the process of acquiring an additional 40% interest in Tian Tian Fisheries (Hainan) Co., Ltd from its non-controlling shareholder which is expected to be completed in the 3<sup>rd</sup> quarter of 2020.



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**Notes to Statements of Financial Position (cont'd)**

- (3) Breeder stocks are off-springs of the brooder stocks, held for trading purposes. As at the reporting date, these stocks are measured based on their fair value, which are determined based on the age, breed and genetic merit of similar fish that can be purchased from another supplier.

- (4) Inventories comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
Fish	1,715,538	2,477,616	1,062,089	1,373,174
Accessories	16,018,715	15,213,628	4,575,899	4,511,612
Plastics products - raw materials	219,777	267,247	-	-
Plastics products - finished goods	798,394	672,299	-	-
	<u>18,752,424</u>	<u>18,630,790</u>	<u>5,637,988</u>	<u>5,884,786</u>
Less allowance for inventory obsolescence	(470,000)	(385,790)	(470,000)	(292,000)
	<u>18,282,424</u>	<u>18,245,000</u>	<u>5,167,988</u>	<u>5,592,786</u>

- (5) Trade receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
Trade receivables	14,081,731	16,695,231	7,623,346	8,894,395
Less loss allowance	(1,254,626)	(937,990)	(841,000)	(591,000)
	<u>12,827,105</u>	<u>15,757,241</u>	<u>6,782,346</u>	<u>8,303,395</u>

Our conscientious effort made in the monitoring and collection of trade receivables balances has resulted in a decrease in the amount of trade receivables as at 30 June 2020. Accordingly, our trade receivables turnover days has improved from 75 days in FY 2019 to 70 days as at 30 June 2020.

- (6) Included in due from subsidiaries is an amount due from Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (“GZQH”) of approximately \$9.9 million (31/12/2019: \$10.3 million). The recoverability of the amount due from GZQH of approximately \$7.2 million (31/12/2019: \$7.2 million) is guaranteed by a major shareholder of the Company and a director of the Company.





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**Notes to Statements of Financial Position (cont'd)**

(7) Other receivables, deposits and prepayments comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
Other receivables	925,802	1,094,759	500,690	602,245
Deposits	411,092	336,471	60,627	61,181
Prepayments	879,319	902,808	200,388	218,132
Advances to suppliers	428,074	521,357	322,903	356,703
Tax recoverable	88,614	83,281	-	-
	<u>2,732,901</u>	<u>2,938,676</u>	<u>1,084,608</u>	<u>1,238,261</u>

The decrease in other receivables, deposits and prepayments balance as at 30 June 2020 was mainly due to decrease in other receivables as a result of the receipt of proceeds arising from the disposal of a subsidiary in the previous years.

(8) Other payables and accruals comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
Accrued operating expenses	501,558	605,223	331,877	438,773
Accrued staff costs	1,420,800	2,148,702	1,034,000	1,773,684
Other payables	1,359,025	1,495,611	977,488	1,112,018
Advance received from customers	518,153	395,900	196,036	178,247
	<u>3,799,536</u>	<u>4,645,436</u>	<u>2,539,401</u>	<u>3,502,722</u>

The decrease in other payables and accruals as at 30 June 2020 was mainly due to the reduction of accrued staff costs as a result of bonus payment made in January 2020.



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**Notes to Statements of Financial Position (cont'd)**

(9) Loans and borrowings comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
	\$	\$	\$	\$
<b>Non-current liabilities</b>				
Lease liabilities	1,881,023	1,500,419	103,989	209,313
<b>Current liabilities</b>				
Short-term loans (unsecured)	16,000,000	15,000,000	16,000,000	15,000,000
Bills payable to banks (unsecured)	91,186	184,712	-	106,616
Lease liabilities	1,660,831	1,122,637	201,777	200,683
	<u>17,752,017</u>	<u>16,307,349</u>	<u>16,201,777</u>	<u>15,307,299</u>
	<u>19,633,040</u>	<u>17,807,768</u>	<u>16,305,766</u>	<u>15,516,612</u>

Other than the additional drawdown of short-term bank loans, the increase in loans and borrowings was mainly due to the increase in lease liabilities as a result of the recognition of additional right-on-use (ROU) assets during the current financial period in accordance with SFRS(I) 16 *Leases*.

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.18% to 1.45% (31/12/2019: 2.71% to 2.95%) per annum and are repayable within the next 12 months from the reporting date.

As at 30 June 2020, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$1.7 million (31/12/2019: \$1.7 million).



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1(c) **STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2020**

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash flows from operating activities</b>		
(Loss) Profit before tax	(463,486)	389,354
Adjustments for:		
Depreciation of		
- property, plant and equipment	981,841	1,048,698
- right-of-use assets	626,802	338,441
- brooder stocks	120,135	120,136
Amortisation of intangible assets	74,333	74,333
Gain on disposal of property, plant and equipment	(227)	(437)
Property, plant and equipment written off	2,526	40
Impairment loss (Reversal of impairment loss) on trade receivables	316,516	(2,125)
Allowance for inventory obsolescence	178,000	30,500
Interest expense	229,197	304,890
Interest income	(31,271)	(21,473)
<b>Operating profit before working capital changes</b>	<b>2,034,366</b>	<b>2,282,357</b>
(Increase) Decrease in:		
Inventories	(373,691)	1,136,839
Breeder stocks	90	960
Trade receivables	2,673,438	347,906
Other receivables, deposits and prepayments	220,865	527,330
Increase (Decrease) in:		
Trade payables	(270,273)	(784,159)
Bills payable to banks	(92,814)	(135,222)
Other payables and accruals	(843,887)	899,318
<b>Cash generated from operating activities</b>	<b>3,348,094</b>	<b>4,275,329</b>
Tax paid	(43,415)	(133,537)
<b>Net cash from operating activities</b>	<b>3,304,679</b>	<b>4,141,792</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(159,581)	(601,743)
Proceeds from disposal of property, plant and equipment	9,219	19,288
Interest received	31,271	21,473
<b>Net cash used in investing activities</b>	<b>(119,091)</b>	<b>(560,982)</b>



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1(c) **STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2020 (cont'd)**

	<b>Group</b>	
	<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash flows from financing activities</b>		
Drawdown of bank term loans	1,000,000	-
Repayment of		
- lease liabilities	(720,298)	(542,548)
- bank term loans	-	(300,000)
Payment of dividend to owners of the Company	(340,580)	(227,052)
Interest paid	(239,588)	(303,040)
<b>Net cash used in financing activities</b>	<b>(300,466)</b>	<b>(1,372,640)</b>
<b>Net increase in cash and cash equivalents</b>	2,885,122	2,208,170
Cash and cash equivalents at beginning of period	13,784,384	11,491,413
Effect of exchange rate changes on cash balances held in foreign currencies	24,017	26,102
<b>Cash and cash equivalents at end of period (Note i)</b>	<b>16,693,523</b>	<b>13,725,685</b>

**Notes to Statement of Cash Flows**

- (i) Cash and cash equivalents comprise:

	<b>Group</b>	
	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>
	\$	\$
Fixed deposits	2,127,084	2,060,629
Cash and bank balances	14,566,439	11,665,056
	<b>16,693,523</b>	<b>13,725,685</b>

- (ii) Despite the loss registered for the six months ended 30 June 2020, the **net cash from operating activities** was mainly due to the realisation of trade receivables into cash during the financial period.

**Net cash used in investing activities** was mainly related to capital expenditure incurred for on-going enhancements and renovations made to farm and other facilities in Singapore and overseas.

**Net cash used in financing activities** was related to cash proceeds received from additional drawdown of bank term loans which was utilised for the settlement of lease liabilities, as well as the servicing of interest payments, on a monthly basis. In addition, there was payment of dividend made to the shareholders of the Company in April 2020.



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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY**

Group	Attributable to owners of the Company				Non-Controlling interests	Total Equity
	Share capital	Retained earnings	Translation reserve	Total		
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jan 2019</b>	30,772,788	17,554,359	133,976	48,461,123	2,346,476	50,807,599
<b>Total comprehensive income for the year</b>						
Profit for the year	-	919,844	-	919,844	23,896	943,740
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations, net of tax	-	-	240,016	240,016	123,035	363,051
Total other comprehensive income	-	-	240,016	240,016	123,035	363,051
Total comprehensive income for the year	-	919,844	240,016	1,159,860	146,931	1,306,791
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Payment of first and final dividend	-	(227,052)	-	(227,052)	-	(227,052)
Total transactions with owners	-	(227,052)	-	(227,052)	-	(227,052)
<b>Balance at 31 Dec 2019</b>	30,772,788	18,247,151	373,992	49,393,931	2,493,407	51,887,338
<b>Total comprehensive income for the period</b>						
(Loss) Profit for the period	-	(525,237)	-	(525,237)	18,209	(507,028)
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations, net of tax	-	-	(64,817)	(64,817)	24,131	(40,686)
Total other comprehensive income	-	-	(64,817)	(64,817)	24,131	(40,686)
Total comprehensive income for the period	-	(525,237)	(64,817)	(590,054)	42,340	(547,714)
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Payment of first and final dividend	-	(340,580)	-	(340,580)	-	(340,580)
Total transactions with owners	-	(340,580)	-	(340,580)	-	(340,580)
<b>Balance at 30 Jun 2020</b>	30,772,788	17,381,334	309,175	48,463,297	2,535,747	50,999,044



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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY (cont'd)**

Company	Share capital \$	Retained earnings \$	Translation reserve \$	Total \$
<b>Balance at 1 Jan 2019</b>	30,772,788	9,240,792	27,972	40,041,552
<b>Total comprehensive income for the year</b>				
Profit for the year	-	113,140	-	113,140
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operations, net of tax	-	-	33,733	33,733
Total other comprehensive income	-	-	33,733	33,733
Total comprehensive income for the year	-	113,140	33,733	146,873
<b>Transactions with owners, recognised directly in equity</b>				
<b>Distributions to owners</b>				
Payment of first and final dividend	-	(227,052)	-	(227,052)
Total transactions with owners	-	(227,052)	-	(227,052)
<b>Balance at 31 Dec 2019</b>	30,772,788	9,126,880	61,705	39,961,373
<b>Total comprehensive income for the period</b>				
Loss for the period	-	(421,945)	-	(421,945)
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operations, net of tax	-	-	(37,827)	(37,827)
Total other comprehensive income	-	-	(37,827)	(37,827)
Total comprehensive income for the period	-	(421,945)	(37,827)	(459,772)
<b>Transactions with owners, recognised directly in equity</b>				
<b>Distributions to owners</b>				
Payment of first and final dividend	-	(340,580)	-	(340,580)
Total transactions with owners	-	(340,580)	-	(340,580)
<b>Balance at 30 Jun 2020</b>	30,772,788	8,364,355	23,878	39,161,021



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1(d)(ii) **CHANGES IN COMPANY'S SHARE CAPITAL**

	Number of shares	\$
<b>Share capital</b>		
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2020 and 30 Jun 2020	<u>113,526,467</u>	<u>30,772,788</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2019.

There were no outstanding convertibles as at 30 June 2020 (30/6/2019: Nil).

The Company did not hold any treasury shares as at 30 June 2020 (30/6/2019: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2020.

1(e) **NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the half year ended 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**KENNY YAP KIM LEE**  
Executive Chairman and  
Managing Director

**ALVIN YAP AH SENG**  
Deputy Managing Director

Singapore  
17 July 2020

1(f) **CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

2 **AUDIT**

The financial statements have not been audited or reviewed by the Company's auditors.

3 **AUDITORS' REPORT**

Not applicable



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4 **ACCOUNTING POLICIES**

Other than the adoption of the amendments to SFRS(I)s as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2019.

5 **CHANGES IN ACCOUNTING POLICIES**

During the current financial year, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
- Amendments to SFRS(I) 3 *Definition of a Business*
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ending 31 December 2020. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

6 **EARNINGS PER ORDINARY SHARE (EPS)**

	<u>Group</u>	
	<u>6 months ended 30 Jun</u>	
	<u>2020</u>	<u>2019</u>
(Loss) Earnings Per Ordinary Share		
(based on consolidated net profit attributable to owners)		
- on weighted average number of ordinary shares on issue (cents)	(0.46)	0.24
- on a fully diluted basis (cents)	(0.46)	0.24

(Loss) Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue of 113,526,467 for both periods.

There is no difference between the basic and diluted earnings per share.

7 **NET ASSET VALUE PER SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2020</u>	<u>31 Dec 2019</u>	<u>30 Jun 2020</u>	<u>31 Dec 2019</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	44.92	45.71	34.50	35.20

Net asset value per share for both periods is computed based on the number of shares in issue of 113,526,467.





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8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

**6 months 2020 vs 6 months 2019**

	<b>Group</b>		<b>Increase</b>	
	<b>6 months ended 30 Jun</b>	<b>6 months ended 30 Jun</b>	<b>(Decrease)</b>	
	<b>2020</b>	<b>2019</b>	<b>\$'000</b>	<b>%</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	11,885	15,997	(4,112)	(25.7)
Accessories	16,779	16,417	362	2.2
Plastics	4,558	5,653	(1,095)	(19.4)
	<b>33,222</b>	<b>38,067</b>	<b>(4,845)</b>	<b>(12.7)</b>

For the six months ended 30 June 2020, the fish and accessories activities continued to be our core business segments, which together accounted for approximately 86.3% of the total revenue. Our overall revenue registered of \$33.2 million for the six months ended 30 June 2020 was approximately \$4.8 million or 12.7% lower than that of its corresponding period in 2019.

On a geographical basis, revenue from Singapore and overseas dipped by approximately 9.1% and 14.5% respectively in the 1<sup>st</sup> half of 2020, as compared to its corresponding period in 2019.

The Covid-19 outbreak has brought challenging times for many economies. It has caused considerable disruptions to the global supply chain that has affected our exports of ornamental and edible fish, and to a lesser extent, aquarium and pets accessories. In Singapore, in order to stem the escalation of Covid-19 local transmissions, the government has introduced various measures to restrict business and social activities from 7 April 2020 (“circuit breaker”). Certain of our business activities were unable to operate during the circuit breaker period, whereas all of our business activities have resumed as we exited the circuit breaker on 2 June 2020.

**Fish**

Our fish exports are very dependent on the operations and availability of air cargo, and with the extensive reduction of capacity and flight frequencies during the pandemic, our fish export business was severely affected. As such, it had resulted in a plunge in our fish revenue during the 1<sup>st</sup> half of 2020 as compared to its corresponding period in 2019. Similarly, our aquaculture business, revolved around our farms in the Hainan Province in China, was also impacted by the lockdown in China which dampened domestic demand and depressed fish fry prices.

We have observed during the months since the outbreak of the pandemic that the demand for fish continues to be resilient, however, it was the extreme scenario of substantially reduced air cargo capacity that hindered our business activities. With the lifting of border restrictions and the gradual resumption of air traffic in the coming months, we envisage a recuperation of revenue from this business segment.

Moving ahead, we will look into the expansion and strengthening of the domestic network within each of our export hubs in Singapore, Malaysia, Thailand, Indonesia and China to mitigate the risk of global supply chain disruptions.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(a) **Revenue (cont'd)**

**Accessories**

Our accessories products are usually exported by sea freight from Singapore, and are not so seriously affected by the reduction in flight operations.

Despite the prolonged Movement Control Order (MCO) experienced in Malaysia which had impacted the operations of our Malaysia subsidiaries since mid-March 2020 (until the loosening of the MCO in May) and the closure of our China operations for almost one month till mid-February (including the usual one-week Chinese New Year break) under a directive by its local government to help limit the spread of Covid-19 infections, the overall revenue registered by our accessories business segment increased by approximately \$0.4 million or 2.2% in the 1<sup>st</sup> half of 2020 as compared to its corresponding period in 2019 was mainly due to revenue contribution from the newly acquired Guangzhou factory in December 2019.

**Plastics**

Amidst the crisis, our plastics business benefited from the increased demand for plastics products as they were considered essential items used to enhance hygiene protocols, especially for food and beverage packaging, as well as in healthcare products and services. This was in spite of losing a major customer during the current financial period, which drove down the revenue contribution from our plastics segment.

We managed to focus on generating revenue through selling products with sustainable margins instead of entering into price war with our competitors.

(b) **Profitability**

**6 months 2020 vs 6 months 2019**

	<b>Group</b>		<b>Increase</b>	
	<b>6 months ended 30 Jun 2020</b>	<b>2019</b>	<b>(Decrease)</b>	
	\$'000	\$'000	\$'000	%
Fish	(459)	825	(1,284)	(155.6)
Accessories	690	750	(60)	(8.0)
Plastics	724	473	251	53.1
Unallocated corporate expenses	(1,418)	(1,659)	241	14.5
	<u>(463)</u>	<u>389</u>	<u>(852)</u>	<u>(219.0)</u>

With lower revenue contribution registered, our overall operating profit reduced substantially during the six months ended 30 June 2020 as compared to its corresponding period in 2019. The sizeable decline in profitability from our fish business was partially offset by the noticeable improvement in profit generated from our plastics business.

**Fish**

The dive in the operating profit from our fish business in the 1<sup>st</sup> half of 2020 as compared to its corresponding period in 2019 was a result of the significant reduction in revenue contribution as mentioned above.



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### 8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

#### (b) **Profitability (cont'd)**

##### **Accessories**

Notwithstanding an increase in revenue contribution, operating profit from our accessories business decreased by approximately \$0.1 million or 8.0% in the 1<sup>st</sup> half of 2020 as compared to the corresponding period in 2019, mainly a result of our on-going efforts to capture more sales, which have sliced off the profit margins of our accessories business in the current financial period.

##### **Plastics**

Despite the lower revenue contribution, the improved profit margin and the difference in sales mix recorded in both periods had given rise to the surge in profit contribution from the plastics business by approximately \$0.3 million or 53.1% in the 1<sup>st</sup> half of 2020 as compared to the corresponding period in 2019. The lack of competition from Malaysian suppliers due to the MCO imposed by the Malaysian government, as well as the favourable prices of raw materials, also boosted the performance of our plastics business.

##### **Unallocated corporate expenses**

These were staff costs and corporate/administrative expenses incurred in relation to the overseeing of both the Group's local and overseas operations. The lower unallocated corporate expenses incurred in the 1<sup>st</sup> half of 2020 as compared to the corresponding period in 2019 was mainly due to lower finance costs, as well as the payouts received under the Job Support Scheme (JSS) which the government co-funded between 25% to 75% of the first \$4,600 of gross monthly salary paid to each local employee for a 10-month period through cash subsidies.

### 9 **VARIANCE FROM PROSPECT STATEMENT**

A profit guidance on the financial results of the Group for the six months ended 30 June 2020 was released via the SGXNET on 13 July 2020. Please refer to paragraph 10 below on the updated and revised prospect statement.

### 10 **PROSPECTS**

The full economic impact of the Covid-19 pandemic which has caused numerous business disruptions is still unfolding and a global recession is expected, the scale and duration of which is uncertain. It will be impacted by a myriad of uncertainties, such as the risk of resurgence of infections in the community and further disruptions in the global economic activities.

As we move into the 2<sup>nd</sup> half of 2020, it is difficult to accurately assess the economic impact of the Covid-19 pandemic on our business. Although the short term outlook appears challenging for businesses worldwide, we remain focused on our core strengths and the longer term prospects of our business. The key to the Group's success lies in our continuing ability to seize long-term opportunities and correctly identify the initiatives and investments that bring value to our stakeholders.

#### **Aquaculture business**

We have successfully developed hatcheries for groupers and shrimps at our Hainan aquaculture farms, and are on track to developing a fully-integrated aquaculture farm facilities in Hainan that is able to capture the entire value chain of edible fish/seafood from breeding to farming to the table.



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### 10 **PROSPECTS (cont'd)**

#### **Aquaculture business (cont'd)**

We have since started to grow our aquaculture footprint beyond China. In July 2020, we embarked on the commercial farming of freshwater shrimps in Desaru, West Malaysia, by engaging a contract farmer who owns 200 acres of land. This initiative followed after a successful pilot project of farming mono-sex brooder stocks of freshwater shrimp at our Singapore farm. We expect our freshwater shrimp farming project in Desaru to contribute positively to the Group's results in the 2<sup>nd</sup> half of 2020.

The expansion of our aquaculture business closer to home is also in line with the Singapore government's aim to produce 30% of the country's nutritional needs by Year 2030. We are in the midst of conducting proprietary research on the viable intensive production of other edible seafood in the near future. This is underpinned by our proprietary HYDROPURE filtration technology and our focus on antibiotic-free nutrition and farming methods.

We believe that the aquaculture business would be many times bigger than our current core ornamental fish segment. We expect it to be a sustainable engine of growth that will further secure Qian Hu's future.

#### **Ornamental Fish business**

Meanwhile, ornamental fish will continue to be the mainstay of the Group, as we grow our export of ornamental fish to more than 80 cities and countries from our export hubs in Singapore, Malaysia, Thailand, Indonesia and China. As these countries together account for between 60% to 70% of the world's ornamental fish, we believe that Qian Hu is the region's biggest exporter of ornamental fish, capturing more than 5% of the global market share in terms of ornamental fish export.

We remain committed to our long-term goal to grow our export footprint to more than 100 cities and countries, focusing on high-growth regions such as the Middle East, Eastern Europe, China and India, and to gradually increase our global market share to 10%, thereby securing our vision of being the top ornamental fish exporter in the world.

By staying vested in the latest genomic technology, we will continue to be on the cusp of the market trends, developing new varieties of Dragon Fish (Asian Arowana) as well as other species of ornamental fish with strong market demand. This will gain pace in the near future, and will improve the profitability of our ornamental fish business when launched.

#### **Aquarium and Pet Accessories business**

##### *Strong R&D capabilities*

Over the years, Qian Hu has established a stronghold in R&D which continues to drive innovation and new product development throughout the Group – whether it is in the area of genomic breakthroughs in developing new varieties of fish, in fish nutrition, or in developing cutting-edge accessories products.

We are launching a new range of Kirameki koi food in the 2<sup>nd</sup> half of 2020, which not only has colour-enhancing properties, it also has probiotics and immune boosters that nourishes competition-grade koi fish. We will also be introducing a new series of probiotics to boost growth and immunity of a wide range of ornamental fish.



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10 **PROSPECTS (cont'd)**

**Aquarium and Pet Accessories business (cont'd)**

*Fish Nutrition & Medications*

We are also committed to bringing out the best qualities in ornamental and edible fish/seafood by developing nutritious foods and safe, efficacious medications. For our aquaculture business, we are using antibiotic-free herbal medications for our edible fish and seafood. In recent times, we have also teamed up with researchers in developing yeast-based fish nutrition to boost the immune system of our seafood products.

*Focus on own-brands*

Over the years, our proprietary brands “Ocean Free” and “OF”, with its extensive range of fish tanks, lighting, filtration systems and other aquarium paraphernalia, have led the growth of our accessories segment, and we are steadfast on expanding our accessories footprint to more than 60 cities and countries globally.

**Plastics business**

The plastics products that we manufacture are supplied to customers in the ornamental fish, food and beverage, electronics and healthcare industries. During Singapore’s circuit breaker period, these plastic products are considered essential items as they are used to enhance the hygiene protocols, especially for food and beverage packaging, and healthcare products/services.

**OUTLOOK**

In the midst of the current unprecedented market and operating conditions, our business outlook remains extremely challenging, at least for the 2<sup>nd</sup> half of 2020. Until a vaccine is successfully developed, or a viable solution is found to eradicate the Covid-19 virus, the global economic landscape continues to be very fluid. While we recognise that we are not able to control the external environment, we can, however, do what we must to renew our products and processes, continue to innovate, and digitalise our operations.

We are heartened to see that fundamentally the market demand for ornamental fish and accessories continues to be resilient, and that it was the severe supply chain disruptions due to lockdowns in our various key hubs that had placed a huge dent in our first-half performance.

We are also optimistic about our new initiatives in developing freshwater shrimp farming in Malaysia which serves as an expansion of our aquaculture business. When executed successfully, we hope to replicate in our other hubs, as well as expand the product range. Buoyed by the Singapore government’s goal to reach 30% in food sufficiency by Year 2030, the Group envisages that our aquaculture business will be a key driver of its growth into the future.

By leveraging on technology and R&D, together with the Group’s culture of innovation and product/service quality, Qian Hu aspires to be the industry’s most value-adding and productive provider of edible fish, ornamental fish and accessories. Although we will continue to experience impact on revenue and profitability in the 2<sup>nd</sup> half of 2020, we believe that we have positioned ourselves pertinently to weather the crisis and will emerge much stronger than before.



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11 **DIVIDEND**

No interim dividend for the half year ended 30 June 2020 is recommended as the Group intends to conserve cash. It is the Group's practice to recommend dividend payment annually together with its audited full-year results.

12 **INTERESTED PERSON TRANSACTIONS**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial period, there were interested person transactions based on terms agreed between the parties as follows:-

	<u>Group</u>	
	<u>6 months ended 30 Jun</u>	<u>2019</u>
	<u>2020</u>	<u>2019</u>
	\$	\$
Guarantee fee paid to a major shareholder of the Company *	18,000	18,000
Consultancy fees paid to a company in which a director has a substantial interest	8,300	8,300

\* The Group are charged a guarantee fee of 0.5% per annum on the average balance of the outstanding amounts due from GZQH. The guarantee fee is payable to a major shareholder of the Company, for guaranteeing the payment of the outstanding amounts.

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group during the half year ended 30 June 2020.



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13 **SEGMENT INFORMATION**

(a) **Business segments**

The Group's operating segments are its strategic business units which offer different products and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Fish - includes fish farming, breeding, distribution and trading of ornamental and edible fish/seafood;
- (ii) Accessories - includes manufacturing and distribution of aquarium and pet accessories;
- (iii) Plastics - includes manufacturing and distribution of plastic bags; and
- (iv) Others - includes Corporate Office and consolidation adjustments which are not directly attributable to a particular business segment above.

Group	6 months ended 30 Jun 2020				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	11,885	16,779	4,558	-	33,222
Inter-segment revenue	818	4,401	54	(5,273)	-
<b>Total Revenue</b>	<b>12,703</b>	<b>21,180</b>	<b>4,612</b>	<b>(5,273)</b>	<b>33,222</b>
<b>Results</b>					
EBITDA *	279	1,602	927	(1,270)	1,538
Depreciation and amortisation	(739)	(868)	(196)	-	(1,803)
Interest expense	(6)	(45)	(7)	(171)	(229)
Interest income	7	1	-	23	31
(Loss) Profit before tax	(459)	690	724	(1,418)	(463)
Tax expense	-	(44)	-	-	(44)
<b>(Loss) Profit for the period</b>	<b>(459)</b>	<b>646</b>	<b>724</b>	<b>(1,418)</b>	<b>(507)</b>
<b>Net (loss) profit margin</b>	<b>(3.9%)</b>	<b>3.9%</b>	<b>15.9%</b>		<b>(1.5%)</b>
<b>Assets and Liabilities</b>					
Segment assets	34,201	36,668	6,320	2,229	79,418
Segment liabilities	3,694	5,996	2,423	16,306	28,419
<b>Other Segment Information</b>					
Expenditures for non-current assets **	50	75	35	-	160
Other non-cash items:					
Gain on disposal of property, plant and equipment	-	***	-	-	***
Property, plant and equipment written off	-	3	-	-	3
Impairment loss on trade receivables	314	3	-	-	317
Allowance for inventory obsolescence	-	178	-	-	178

\* EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

\*\* This includes capital expenditure and additions to other non-current assets.

\*\*\* Amount less than \$1,000.



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13 **SEGMENT INFORMATION (cont'd)**

(a) **Business segments (cont'd)**

Group	6 months ended 30 Jun 2019				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	15,997	16,417	5,653	-	38,067
Inter-segment revenue	767	1,337	91	(2,195)	-
<b>Total Revenue</b>	<b>16,764</b>	<b>17,754</b>	<b>5,744</b>	<b>(2,195)</b>	<b>38,067</b>
<b>Results</b>					
EBITDA *	1,633	1,309	717	(1,405)	2,254
Depreciation and amortisation	(809)	(529)	(243)	-	(1,581)
Interest expense	(9)	(30)	(1)	(265)	(305)
Interest income	10	-	-	11	21
Profit (Loss) before tax	825	750	473	(1,659)	389
Tax expense	(25)	(13)	(50)	-	(88)
<b>Profit (Loss) for the period</b>	<b>800</b>	<b>737</b>	<b>423</b>	<b>(1,659)</b>	<b>301</b>
<b>Net profit margin</b>	<b>5.0%</b>	<b>4.5%</b>	<b>7.5%</b>		<b>0.8%</b>
<b>Assets and Liabilities</b>					
Segment assets	37,732	35,983	5,332	1,707	80,754
Segment liabilities	5,505	5,183	2,156	16,792	29,636
<b>Other Segment Information</b>					
Expenditures for non-current assets **	440	165	87	-	692
Other non-cash items:					
(Gain) Loss on disposal of property, plant and equipment	(6)	-	6	-	-
Property, plant and equipment written off	-	***	-	-	***
(Reversal of) Impairment loss on trade receivables	(45)	43	-	-	(2)
Allowance for inventory obsolescence	-	31	-	-	31

\* EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

\*\* This includes capital expenditure and additions to other non-current assets.

\*\*\* Amount less than \$1,000.

(b) **Geographical segments**

Geographical segments are analysed by four principal geographical areas, namely Singapore, Asia, Europe and Others (i.e. the rest of the world).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers which the sales are made to regardless of where the sales originate. Segment non-current assets and total assets are based on the geographical location of the assets.





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

13 **SEGMENT INFORMATION (cont'd)**

(b) **Geographical segments (cont'd)**

<b>Group</b>	<b>Revenue</b>		<b>Segment non-current assets</b>		<b>Segment assets</b>	
	<b>6 months ended 30 Jun</b>		<b>6 months ended 30 Jun</b>		<b>6 months ended 30 Jun</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Singapore	11,201	12,319	22,641	27,766	48,749	56,438
Other Asian countries	15,752	18,765	6,121	5,175	30,669	24,316
Europe	2,837	3,776	-	-	-	-
Others	3,432	3,207	-	-	-	-
<b>Total</b>	<b>33,222</b>	<b>38,067</b>	<b>28,762</b>	<b>32,941</b>	<b>79,418</b>	<b>80,754</b>

(c) **Major customers**

There is no customers contributing more than 10 percent to the revenue of the Group.

14 **BREAKDOWN OF REVENUE**

<b>Group</b>	<b>Fish</b>	<b>Accessories</b>	<b>Plastics</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>6 months ended 30 Jun 2020</b>				
Singapore (including domestic sales & sales to Singapore)	1,976	4,788	4,437	11,201
Overseas (including export to & sales in overseas)	9,909	11,991	121	22,021
<b>Total revenue</b>	<b>11,885</b>	<b>16,779</b>	<b>4,558</b>	<b>33,222</b>
<b>6 months ended 30 Jun 2019</b>				
Singapore	2,274	4,541	5,504	12,319
Overseas	13,723	11,876	149	25,748
<b>Total revenue</b>	<b>15,997</b>	<b>16,417</b>	<b>5,653</b>	<b>38,067</b>

**BY ORDER OF THE BOARD**

Kenny Yap Kim Lee  
Executive Chairman and Managing Director  
17 July 2020