



PRESS RELEASE

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Qian Hu’s FY21 net profit rises to \$1.7M, led by healthy growth in Fish segment, including Aquaculture

- Group revenue rose 6.3% to \$80.0M from recovery in air freight operations which benefited its exports of Fish and Accessories across the globe
- Directors propose first and final dividend of 0.3 Singapore cent per ordinary share at upcoming AGM on 30 March 2022, payment on 26 April 2022

S'000	2H2021	2H2020	Change (%)	FY2021	FY2020	Change (%)
Revenue	40,288	42,011	(4.1)	80,003	75,233	6.3
Gross Profit	13,848	14,567	(4.9)	26,817	25,277	6.1
Profit/(Loss) Before Tax	1,207	(657)	283.6	2,311	(1,121)	306.2
Net Profit/(Loss)	863	(927)	193.1	1,720	(1,453)	218.4

Period ended 31 December

SINGAPORE – 12 January 2022 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“Qian Hu” or “the Group”) today announced a 218.4% increase in net profit attributable to shareholders to \$1.7 million for the year ended 31 December 2021.

This was led by an 819.2% surge in pre-tax profit from its Fish segment, which also includes its Aquaculture business.

Group revenue for the full year rose 6.3% to \$80.0 million, following the gradual reopening of air traffic, resumption of air freight operations and reopening of borders which benefited the Group’s exports of Fish and Accessories.

As of 31 December 2021, the Group's cash and cash equivalents grew by 13.5% to \$21.7 million. The Group's debt-to-equity ratio decreased from 0.56% in FY2020 to 0.48% in FY2021 mainly due to the repayment of bank borrowings.

EPS/NAV Per Share

For the full year, the Group's earnings per share rose to 1.53 Singapore cents, reversing the loss per share of 1.28 Singapore cents recorded a year ago. Its net asset value per share for FY2021 increased by 1.8% to 44.61 Singapore cents as of 31 December 2021.

Dividend

The Directors have proposed a first and final dividend of 0.3 Singapore cents per ordinary share, which is subject to approval at the next Annual General Meeting to be held on 30 March 2022. If approved, the dividend will be disbursed on 26 April 2022.

Revenue by Segments

\$'000	2H2021	2H2020	Change (%)	FY2021	FY2020	Change (%)
Fish	15,021	15,951	(5.8)	30,407	27,836	9.2
Accessories	21,382	22,536	(5.1)	41,914	39,315	6.6
Plastics	3,886	3,524	10.3	7,682	8,082	(4.9)
	40,289	42,011	(4.1)	80,003	75,233	6.3

Period ended 31 December

Fish

In the latest second half results, the Group's Fish segment posted 5.8% lower revenue to \$15.0 million, compared to the year-ago period. This was because there was a surge in backlog orders in 2H2020 after air freight operations resumed in July 2020. In the latest 2H2021, however, there were no backlog orders as the supply chain had returned to normal.

For the full-year, Qian Hu's Fish segment grew by 9.2% to \$30.4 million.

Accessories

The Accessories segment registered a dip of 5.1% in 2H2021 sales to \$21.4 million as the year-ago period had recorded a surge in sales activities following the resumption of operating activities after

lockdowns in Singapore, Malaysia, and China during the first half of 2020. The Accessories segment reported a 6.6% rise in revenue to \$41.9 million for the full-year.

Plastics

Plastics segment posted a 10.3% increase in 2H2021 sales to \$3.9 million, thanks to the stabilization of its customer base following the loss of a major customer in May 2020. The Group managed to pivot to plastics products with sustainable margins such as essential items used to enhance hygiene protocols for packaging for food and beverage and healthcare sectors.

For the full year, the Plastics segment reported a 4.9% decline in overall sales, to \$7.7 million.

Profit/(Loss) Before Tax by Segments

\$'000	2H2021	2H2020	Change (%)	FY2021	FY2020	Change (%)
Fish	1,452	761	90.8	2,776	302	819.2
Accessories	852	1,306	(34.8)	1,656	1,996	(17.0)
Plastics	304	544	(44.1)	751	1,268	(40.8)
Unallocated Corporate Expenses	(1,401)	(1,269)	(10.4)	(2,872)	(2,687)	(6.9)
	1,207	1,342	(10.1)	2,311	879	162.9
Impairment loss on brooder stocks	-	(2,000)	(100.0)	-	(2,000)	(100.0)
	1,207	(658)	283.4	2,311	(1,121)	306.2

Period ended 31 December

Fish

The Group's Fish segment benefited from the income derived from its Aquaculture business, which lifted pre-tax profit by 90.8% to \$1.5 million despite posting lower revenue in 2H2021. For the full year, it posted an 819.2% increase in profit before tax to \$2.8 million.

Accessories

In line with lower revenue recorded in the second half, pre-tax profit from the Accessories segment declined by 34.8% to \$852,000. Profit before tax for the full year however grew by 17.0% to \$1.7 million.

Plastics

Despite higher sales registered in the second half year, the pre-tax profit from the Plastics segment dipped 44.1% to \$304,000 impacted by higher raw material prices and a gradual increase in overall operational costs. Profit before tax for the full year decreased by 40.8% to \$751,000.

Business Outlook

The Group is of the view that despite the emergence of Covid-19 variants such as Omicron, the worst may soon be over for global businesses.

Said Mr Yap Kok Cheng, Qian Hu's Chief Executive Officer: "Qian Hu, like the rest of the world has had nearly two years of disruptions to our business. We responded to the challenging environment by strengthening our balance sheet. While we will continue to focus on this, we will aggressively expand our business, especially our Aquaculture, Ornamental Fish and Accessories businesses as we expect the global landscape to further improve."

Strategic Investment in Bosch's AquaEasy

In December 2021, Qian Hu entered into a S\$1 million unsecured convertible loan agreement with AquaEasy Pte Ltd, a unit of the global technology company Bosch Group, which develops artificial intelligence (AI) and Internet of Things (IoT)-based solutions to help shrimp farmers increase productivity, predictivity and implement sustainable aquaculture practices.

The Group believes that this partnership with AquaEasy will elevate Qian Hu's aquaculture strategy to a whole new level. The partnership will also see many more strategic collaborations in the areas of research & development in using AI for the production of other aquaculture species, ornamental fish, and aquaponics.

Qian Hu also intends to integrate AI solutions into the rest of its aquaculture systems and market the technology to its markets in Malaysia, Thailand, and China. It will also develop a digital platform, using AquaEasy's cloud-based IoT capabilities, to digitalise the aquaculture supply chain where there will be real-time efficiency and transparency, thereby enhancing traceability and sustainability of local produce. This strategic partnership with Bosch will transform a traditional aquaculture industry into one that is future proof and sustainable.

In line with the Singapore government's goal to produce 30% of the country's nutritional needs by 2030, the Group is upgrading its farm to produce more shrimp locally.

"We remain focused on our core strengths and long-term prospects of our business. 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 to grow its revenue while achieving profitability in FY2022," Mr Yap added.

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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.