



PRESS RELEASE

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Qian Hu delivers higher net profit in 4Q2017 and FY2017; forays into shrimp farming and import/export of edible fish and other seafood products with second farm in Hainan

- *Proposes first and final dividend of 0.2 Singapore cents per ordinary share – to be paid on 25 April 2018 upon approval at next AGM*

\$'000	4Q2017	4Q2016	Change (%)	FY2017	FY2016	Change (%)
Revenue	22,042	22,112	(0.3)	87,824	80,470	9.1
Gross Profit	6,910	6,054	14.1	26,257	23,739	10.6
Net Profit	126	36	250.0	329	68	383.8

Period ended 31 December

SINGAPORE – 12 January 2018 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“Qian Hu”) today reported a much higher net profit attributable to shareholders of \$126,000 for the fourth quarter ended 31 December 2017.

This was achieved on the back of Group revenue reaching \$22.0 million, with a 9.2% improvement from its core Fish segment to \$8.7 million, while its Accessories segment posted a 6.7% dip to \$10.5 million.

For the full year, the Group posted higher net profit attributable to shareholders of \$329,000 on a 9.1% rise in revenue to \$87.8 million.

Revenue By Segments

\$'000	4Q2017	4Q2016	Change (%)
Fish	8,709	7,974	9.2
Accessories	10,458	11,215	(6.7)
Plastics	2,875	2,923	(1.6)
	<u>22,042</u>	<u>22,112</u>	<u>(0.3)</u>

Period ended 31 December

Fish

In the latest quarter, sales of Fish grew by 9.2% to \$8.7 million predominantly due to the improved export performance at its hubs in Singapore, Malaysia, Thailand and Indonesia, as sales of Dragon Fish grew in tandem with other ornamental fish.

Accessories

Revenue from Accessories dipped 6.7% to \$10.5 million in 4Q2017, due to the loss of sales from the delay in the shipment of products to certain overseas customers as a result of a change in import regulations. These orders will only be delivered subsequently in FY2018 after sorting out the import documentations.

Plastics

The Group's Plastics segment remained relatively consistent, declining just a shade by 1.6% to nearly \$2.9 million.

As at 31 December 2017, the Group's cash and cash equivalents stood at \$11.1 million.

Operating Profit By Segments

\$'000	4Q2017	4Q2016	Change (%)
Fish	243	(58)	519.0
Accessories	411	175	134.9
Plastics	246	199	23.6
Unallocated Corporate Expenses	(662)	(444)	(49.1)
	238	(128)	285.9
Loss on disposal of an associate	(46)	-	
	192	(128)	250.0

Period ended 31 December

Fish

Increased revenue contributed by the Fish segment, coupled with a different sales mix in fish exports, led to significant jump in profitability – \$243,000 instead of an operating loss of \$58,000 in the year-ago quarter.

Accessories

Despite a lower revenue contribution in the latest quarter, Accessories segment continued to yield better margin due to its on-going efforts to capture more markets by its proprietary brands of innovative products. In 4Q2017, Accessories registered a 134.9% jump in operating profit to \$411,000.

Plastics

Operating profit for the latest quarter rose 23.6% to \$246,000 due to improved margins from favourable raw material prices.

EPS and NAV Per Share

In 4Q2017, Qian Hu's earnings per share on a fully diluted basis rose to 0.11 Singapore cents, from 0.03 Singapore cents in the year-ago period, while net asset value per share surged to 45.48 Singapore cents as at 31 December 2017.

Dividend

The Directors have proposed a first and final dividend of 0.2 Singapore cents per ordinary share subject to approval at the next Annual General Meeting to be held on 28 March 2018. If approved, the dividend will be disbursed on 25 April 2018.

Said **Kenny Yap, Qian Hu's Executive Chairman and Managing Director**, "We are pleased that within a short span of time, our Aquaculture business has contributed positively to the Group's revenue and earnings since 3Q2017. In addition, we have commenced the breeding and farming of shrimp in November 2017 after we incorporated another company in Hainan – Tian Tian Fisheries (Hainan) Co., Ltd. This new subsidiary, which is 60% owned by the Group, will also be exporting edible fish/seafood from Hainan to Southeast Asia, and importing other edible fish/seafood from the rest of the world into China. In the longer-term, we intend to be a fully-integrated aquaculture farm that is able to capture the entire value chain of edible fish/seafood – from breeding to farming, and to the table. In the future, we also plan to green-label our biological products, so as to effectively and efficiently reach out to regional and international markets that are increasingly environmentally conscious."

"Moving ahead, R&D continues to a critical capability that helps us to develop cutting-edge products and services. Ultimately, Qian Hu is fast evolving into a technology company with our strong focus on technology, innovation and quality. We aspire to be the industry's most value-adding and productive provider of edible fish, ornamental fish and accessories," he 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 has set up a 51%-owned subsidiary, Qian Hu Aquaculture (Hainan) Co., Ltd, to farm antibiotic-free edible fish, such as groupers, in Hainan Province, China. The edible fish farm, which occupies a land area of approximately 0.4 hectares with a lease tenure of 16.5 years, is expected to farm varieties of edible fish, primarily for the China market.

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 been the only listed company to have bagged the most number of awards – 13 awards in total (eight Gold, two Bronze, two Merit and the Best Chief Financial Officer Award). Most recently, 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.