



PRESS RELEASE

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Qian Hu's 3Q18 net profit rises 23.2%

\$'000	3Q2018	3Q2017	Change (%)	9M2018	9M2017	Change (%)
Revenue	21,435	22,482	(4.7)	64,994	65,782	(1.2)
Gross Profit	6,486	6,773	(4.2)	19,622	19,347	1.4
Net Profit	175	142	23.2	356	203	75.4

Period ended 30 September

SINGAPORE – 16 October 2018 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today announced that its 3Q18 net profit attributable to shareholders increased by 23.2% to \$175,000 for the third quarter ended 30 September 2018.

This was achieved despite Group revenue declining slightly by 4.7% to \$21.4 million, which was impacted by slight dips in sales from its core Fish and Accessories segments. Sales of Plastics, however, were relatively consistent year-on-year.

For the first nine months of FY2018, the Group's net profit attributable to shareholders surged by 75.4% to \$356,000 while Group revenue retreated marginally by 1.2% to \$65.0 million.

Revenue By Segments

\$'000	3Q2018	3Q2017	Change (%)
Fish	8,621	8,976	(4.0)
Accessories	9,710	10,440	(7.0)
Plastics	3,104	3,066	1.2
	21,435	22,482	(4.7)

Period ended 30 September

Fish

In the latest third quarter, revenue from Fish segment slid by 4.0% to \$8.6 million despite higher contributions from the Group's new Edible Fish aquaculture business in Hainan and increased exports from the Group's hubs in Singapore, Malaysia, Thailand and Indonesia. The reduction in sales was largely due to fewer orders during the FIFA World Cup season in June and July this year, and the intense price competition from the Dragon Fish business since the beginning of the year, which led to a decline in selling prices, despite the Group having sold more Dragon Fish.

Accessories

Accessories sales dipped by 7.0% to \$9.7 million due to weak purchasing sentiments of customers around the world, exacerbated by currency volatility and the current trade war between the United States and China.

Plastics

Plastics revenue held steady, rising marginally by 1.2% to \$3.1 million.

As at 30 September 2018, the Group's cash and cash equivalents stood at \$10.2 million.

Operating Profit By Segments

\$'000	3Q2018	3Q2017	Change (%)
Fish	480	439	9.3
Accessories	429	353	21.5
Plastics	186	290	(35.9)
Unallocated Corporate Expenses	(769)	(751)	(2.4)
	326	331	(1.5)

Period ended 30 September

Fish

Despite seeing lower revenue contributions and initial start-up costs incurred by the Group's second aquaculture farm in Hainan, the Fish segment managed to achieve a 9.3% rise in operating profit to \$480,000 year-on-year. This was made possible by a different sales mix, and the resilience of the Group's export business, which continued to generate respectable profit margins.

Accessories

During the third quarter, Accessories segment posted a 21.5% jump in operating profit to \$429,000 in spite of lower revenues reported. This was mainly due to the Group's efforts in capturing more markets by selling more of its own brands of innovative products that typically fetch higher margins.

Plastics

The gradual increase in costs of manufacturing plastics products impacted the Plastics segment, which saw a 35.9% decline in operating profit to \$186,000.

EPS and NAV Per Share

As at 30 September 2018, the Group achieved higher earnings per share on a fully diluted basis of 0.15 Singapore cent, while posting net asset value per share of 45.29 Singapore cents.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "Despite momentary fluctuations in our Fish and Accessories revenues this quarter, we have continued to focus on driving efficiency as well as boosting margins. Considering the challenging business landscape, we have done reasonably well. Moving ahead, we continue to be optimistic about our export business for ornamental fish and accessories, even as we intensify

our efforts on achieving excellence in our new Edible Fish Aquaculture business in China. In addition, we remain steadfast on innovation as we expand our product portfolio through our cutting-edge filtration technology, fish nutrition and genetic breeding of unique varieties of Dragon Fish.”

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About Qian Hu Corporation Limited

Incorporated in 1998, Qian Hu is an integrated 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. In November 2017, the Group incorporated another 60%-owned 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.