



PRESS RELEASE

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Qian Hu's 1Q2018 net profit holds steady

- *Group revenue maintains at \$21.6 million with healthy contributions from its core Ornamental Fish and Accessories segments*
- *Expects better revenue growth in coming quarters as Group transforms into a technology company with a strong focus on innovation, quality and aquaculture*

\$'000	1Q2018	1Q2017	Change (%)
Revenue	21,610	21,575	0.2
Gross Profit	6,528	6,247	4.5
Net Profit	35	36	(2.8)

Period ended 31 March

SINGAPORE – 16 April 2018 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today announced that its first quarter net profit attributable to shareholders, for the period ended 31 March 2018, remained relatively consistent with the same period a year ago, at \$35,000.

Group revenue, which came in at \$21.6 million, was also consistent with the previous year, with core businesses, Ornamental Fish and Accessories, both reporting slightly higher sales.

Revenue By Segments

\$'000	1Q2018	1Q2017	Change (%)
Ornamental Fish	9,468	9,267	2.2
Accessories	9,526	9,470	0.6
Plastics	2,616	2,838	(7.8)
	21,610	21,575	(0.2)

Period ended 31 March

Ornamental Fish

In the latest first quarter, the Group's Ornamental Fish sales rose by 2.2% to \$9.5 million, boosted by sales contributed from its new Aquaculture business, as well as increased exports to more customers and countries around the world from its hubs in Singapore, Malaysia, Thailand and Indonesia.

Accessories

Its Accessories segment reported relatively stable sales, consistent with the year-ago quarter.

Plastics

Competitive market conditions led to the Plastics segment reporting lower sales, which declined by 7.8% to \$2.6 million. This was also due to the payment patterns of certain problematic customers, and the Company has since been closely monitoring their credibility and has rejected orders from some of them.

As at 31 March 2018, the Group's cash and cash equivalents stood at \$9.2 million.

Operating Profit By Segments

\$'000	1Q2018	1Q2017	Change (%)
Ornamental Fish	365	382	(4.5)
Accessories	310	285	8.8
Plastics	178	201	(11.4)
Unallocated Corporate Expenses	(689)	(693)	0.6
	164	175	(6.3)

Period ended 31 March

In line with the flat revenue growth in the first quarter, the Group's overall operating profit remained stable.

Ornamental Fish

Despite achieving higher first-quarter revenue, Ornamental Fish segment's operating profitability dipped 4.5% to \$365,000 as a result of a different sales mix, as well as initial start-up costs incurred by the Group's second aquaculture farm in Hainan.

Accessories

Despite flat revenue growth, the operating profit of its Accessories segment grew 8.8% to \$310,000, due to better margin derived from the sales of more proprietary brands of innovative products.

Plastics

Lower revenue from the Plastics segment, coupled with the gradual increase in overall operational costs, led to an 11.4% decline in operating profit to \$178,000.

EPS and NAV Per Share

In the latest first quarter earnings announced today, the Group posted earnings per share on a fully diluted basis of 0.03 Singapore cents, and net asset value per share of 45.14 Singapore cents as at 31 March 2018.

Said **Kenny Yap, Qian Hu's Executive Chairman and Managing Director**: "Moving ahead, the Group braces itself to meet the challenges of a volatile business environment, focusing our efforts on innovation, and expanding our pipeline of cutting-edge products and services. Meanwhile, we are pleased that our new aquaculture business is progressing smoothly, and that Qian Hu is fast evolving into a technology company. In the years ahead, we aspire to be the industry's most value-adding and productive provider of edible fish, ornamental fish and accessories."

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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 bag the most number of awards – 13 awards in total (eight Gold, two Bronzes, two Merits and the Best Chief Financial Officer Award. The Group was also 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.