



PRESS RELEASE

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Qian Hu reports 130% uptick in full-year net profit

- *Proposes first and final dividend of 0.3 Singapore cents per ordinary share – to be paid on 23 April 2020 upon approval at next AGM*

\$'000	4Q2019	4Q2018	Change (%)	FY2019	FY2018	Change (%)
Revenue	19,609	20,673	(5.1)	76,915	85,667	(10.2)
Gross Profit	6,225	6,420	(3.0)	23,511	26,042	(9.7)
Net Profit	346	46	652.2	920	402	128.9

Period ended 31 December

SINGAPORE – 13 January 2020 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**” or “**the Group**”) announced today a 128.9% surge in full-year net profit attributable to shareholders to \$920,000.

This was achieved in spite of a 10.2% decline in Group revenue to \$76.9 million for the year ended 31 December 2019.

In the latest fourth quarter, the Group’s net profit attributable to shareholders jumped 652.2% to \$346,000 while revenue fell slightly by 5.1% to \$19.6 million.

The Group closed the year with a balance of \$13.8 million in cash and cash equivalents.

Revenue by Segments

\$'000	4Q2019	4Q2018	Change (%)
Fish	6,312	7,557	(16.5)
Accessories	10,456	9,801	6.7
Plastics	2,841	3,315	(14.3)
	19,609	20,673	(5.1)

Period ended 31 December

Fish

Intense price competition in the Dragon Fish business eclipsed the positive contributions brought on by the Group's growing Aquaculture business, resulting in 4Q2019 Fish sales declining by 16.5% to \$6.3 million. With increased efforts and focus in growing its emerging Aquaculture business, the Group expects revenue and profitability of the Fish segment to revive gradually in the coming quarters.

Accessories

The Accessories segment posted a 6.7% jump in revenue to \$10.4 million, thanks to the completion of the restructuring in the Group's accessories business in China, as well as revenue contribution from a newly acquired subsidiary in Guangzhou in December 2019.

Plastics

The Group's Plastics sales declined by 14.3% to \$2.8 million, due to lower sales of plastics products to the consumer sector following the softening of demand from the domestic market. The Group chose not to enter into a price war with competitors, but instead, focused on generating revenue by selling products with sustainable margins.

Operating Profit by Segments

\$'000	4Q2019	4Q2018	Change (%)
Fish	472	70	574.3
Accessories	421	447	(5.8)
Plastics	363	236	53.8
Unallocated Corporate Expenses	(940)	(701)	(34.1)
	316	52	507.7

Period ended 31 December

Fish

By gradually downsizing the Group's Dragon Fish activities, and focusing more on Aquaculture instead, the Group managed to achieve a significant jump in operating profit to \$472,000 despite lower revenue recorded in the latest quarter.

Accessories

In spite of higher revenue achieved, the Group's Accessories segment posted 5.8% lower operating profit to \$421,000 due to a different sales mix and on-going efforts to capture more sales which affected profit margin in the fourth quarter.

Plastics

Improved profit margin in the Group's Plastic business, brought about by favourable raw material prices and stable selling prices, contributed towards a 53.8% jump in operating profit to \$363,000.

EPS and NAV Per Share

For the full year, the Group's fully diluted earnings per share rose to 0.81 Singapore cents, while its net asset value per share grew to 45.71 Singapore cents as at 31 December 2019.

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 26 March 2020. If approved, the dividend will be disbursed on 23 April 2020.

Said Kenny Yap, Qian Hu's Executive Chairman and Managing Director: "We continue to work hard in growing the Aquaculture business, focusing on intensive farming of new species, expanding into new areas of the value chain, and conducting trials on new products. Our team of researchers are also developing new varieties of ornamental fish using new genomic technology. Moving ahead, we believe that our continued focus on technology, innovation and quality will hold us in good stead as we transform to stay ahead of the competition."

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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.