



PRESS RELEASE

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Higher-margin Aquaculture business boosts Qian Hu's 3Q19 net profit

\$'000	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
Revenue	19,239	21,435	(10.2)	57,306	64,994	(11.8)
Gross Profit	5,679	6,486	(12.4)	17,286	19,622	(11.9)
Net Profit	301	175	72.0	574	356	61.2

Period ended 30 September

SINGAPORE – 16 October 2019 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) announced today that the Group achieved a 72.0% surge in net profit attributable to shareholders to \$301,000 for the third quarter ended 30 September 2019.

This was on the back of a 10.2% dip in revenue to \$19.2 million, from lower sales recorded in the Group’s core Fish and Accessories business segments.

Net profit attributable to shareholders for the nine months rose 61.2% to \$574,000 while Group revenue declined 11.8% to \$57.3 million.

Revenue By Segments

\$'000	3Q2019	3Q2018	Change (%)
Fish	7,538	8,621	(12.6)
Accessories	8,605	9,710	(11.4)
Plastics	3,096	3,104	(0.3)
	19,239	21,435	(10.2)

Period ended 30 September

Fish

In the latest third quarter, Fish revenue fell by 12.6% to \$7.5 million, dragged down by the intense price competition of Dragon Fish since FY2018, despite continued improvements to the sales contributions from the Group's aquaculture business in Hainan, and its continuous efforts to boost ornamental fish exports.

Accessories

Sales of Accessories similarly decreased by 11.4% to \$8.6 million, impacted by the disposal of the Group's Shanghai subsidiary in 4Q2018 due to the streamlining of its China operations. Accessories exports were also affected by the weak purchasing sentiments around the world led by the volatility of trading currencies and the on-going trade tension between United States and China.

Plastics

Plastics sales remained relatively consistent year-on-year at \$3.1 million.

Operating Profit By Segments

\$'000	3Q2019	3Q2018	Change (%)
Fish	560	480	16.7
Accessories	345	429	(19.6)
Plastics	299	186	60.8
Unallocated Corporate Expenses	(850)	(769)	(10.5)
	354	326	8.6

Period ended 30 September

Fish

Despite reporting lower revenue in the latest third quarter, the Group's Fish segment achieved a 16.7% increase in operating profit to \$560,000, thanks to the higher contribution from the Aquaculture business that yielded improved margins.

Accessories

The Accessories segment, however, posted a 19.6% decline in operating profit to \$345,000, due to the disposal of the Shanghai subsidiary, and weaker purchasing sentiments of its customers worldwide.

Plastics

Plastics segment saw a 60.8% uplift in operating profit to \$299,000, from improved profit margins and a different sales mix.

EPS and NAV Per Share

In its latest third quarter results, the Group's earnings per share on a fully diluted basis surged 80% to 0.27 Singapore cent, while net asset value per share rose 1.5% to 45.43 Singapore cents as at 30 September 2019.

For the first nine months, the Group's cash and cash equivalents increased to \$15.1 million.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "We are encouraged by the continued positive performance of our Aquaculture business, in spite of the challenging business landscape across the globe. In the quarters ahead, we also hope to see the positive benefits from restructuring our Accessories operations in China. From past experiences, we have shown ourselves to be resilient, sparing no efforts to stay ahead of the competition with our continued initiatives in innovation. Barring unforeseen circumstances, we remain on track to becoming the world's largest ornamental fish company."

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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 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.