



PRESS RELEASE

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Qian Hu's first quarter net profit up 5.7%

S'000	1Q2019	1Q2018	Change (%)
Revenue	18,852	21,610	(12.8)
Gross Profit	5,728	6,528	(12.3)
Net Profit	37	35	5.7

Period ended 31 March

SINGAPORE – 17 April 2019 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“Qian Hu” or “the Group”) announced today that its net profit attributable to shareholders for the first quarter of FY2019 rose 5.7% to \$37,000.

Group revenue, for the three months ended 31 March 2019, however, declined by 12.8% to \$18.9 million as its Dragon Fish sales continued to be depressed from the intense price competition in the industry, while its accessories operations in China was restructured for enhanced efficiency.

Revenue By Segments

\$'000	1Q2019	1Q2018	Change (%)
Fish	8,378	9,468	(11.5)
Accessories	7,614	9,526	(20.1)
Plastics	2,860	2,616	9.3
	18,852	21,610	(12.8)

Period ended 31 March

Fish

Revenue from its Fish segment, which includes ornamental fish and edible fingerlings, retreated by 11.5% to \$8.4 million, due to the effect of the intense price war in the Dragon Fish segment, which led to the continuous decline in its selling price into the first quarter. This was partially offset by improved sales from its new aquaculture business in Hainan, coupled by the Group's efforts to increase its ornamental fish exports around the world.

Accessories

Sales from its Accessories segment decreased by 20.1% year-on-year to \$7.6 million, as the Group streamlined its Accessories operations in China by trimming operating costs and enhancing its inventory and logistics management, as it disposed its subsidiary in Shanghai. In addition, demand for its accessories exports was weakened by its customers being more cautious and vigilant in their procurement requirements, citing the volatility of trading currencies, and continued trade tensions between the US and China.

Plastics

Plastics sales continued its growth momentum, surging 9.3% to \$2.9 million, boosted by a larger customer base and more varieties of plastics products sold during the quarter.

As at 31 March 2019, the Group's cash and cash equivalents stood at \$11.9 million.

Operating Profit By Segments

\$'000	1Q2019	1Q2018	Change (%)
Fish	237	365	(35.1)
Accessories	321	310	3.5
Plastics	219	178	23.0
Unallocated Corporate Expenses	(709)	(689)	(2.9)
	68	164	(58.5)

Period ended 31 March

Fish

In the latest first quarter, the operating profit of the Group's Fish segment declined by 35.1% to \$237,000 as a result of depressed fish sales, and lower profit margins from Dragon Fish arising from the price competition. This was partially offset by the increase in profit contribution from the Group's new aquaculture business.

Accessories

Despite lower revenue posted in 1Q2019, the Group's Accessories segment turned in higher operating profit, rising 3.5% to \$321,000, from a different sales mix and the Group's focus in marketing its higher-margin proprietary products.

Plastics

The Plastics business achieved a 23.0% uplift in operating profit to \$219,000, thanks to higher revenue contributions in spite of a gradual increase in overall operational costs.

EPS and NAV Per Share

For the latest first quarter, the Group's fully-diluted earnings per share remained unchanged from the year-ago quarter, maintaining at 0.03 Singapore cents, while its net asset value per share rose marginally to 44.89 Singapore cents as at 31 March 2019.

Said Kenny Yap, Qian Hu's Executive Chairman and Managing Director: "We envisage that the selling prices of Dragon Fish may stabilise toward the first half of FY2019, and coupled with our focused efforts on growing the aquaculture business in Hainan, which continues to bring in contributions to the Group, we expect the revenue and profitability of the Group's fish business would gradually revive in the coming quarters."

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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.