



PRESS RELEASE

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Qian Hu achieves 66.7% higher net profit in 2Q17, led by strong all-round growth

- Group revenue jumped 13.7% to \$21.7M with stellar performance from Accessories
- Expects new aquaculture business in Hainan to contribute positively in FY2018

| \$'000 | 2Q2017 | 2Q2016 | Change (%) | 1H2017 | 1H2016 | Change (%) |
|---------------------|--------|--------|------------|--------|--------|------------|
| Revenue | 21,725 | 19,100 | 13.7 | 43,300 | 38,711 | 11.9 |
| Gross Profit | 6,327 | 5,827 | 8.6 | 12,574 | 11,767 | 6.9 |
| Net Profit | 25 | 15 | 66.7 | 61 | 27 | 125.9 |

Period ended 30 June

SINGAPORE – 18 July 2017 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“Qian Hu”) announced today a 66.7% jump in net profit attributable to shareholders to \$25,000 for the second quarter ended 30 June 2017.

Group revenue for the three months grew by 13.7% to \$21.7 million with encouraging growth from all of its business segments – namely, Ornamental Fish, Accessories and Plastics.

For the first half of its fiscal year, the Group reported a 125.9% leap in net profit attributable to shareholders to \$61,000 as revenue rose by 11.9% to \$43.3 million.

Revenue By Segments

| \$'000 | 2Q2017 | 2Q2016 | Change (%) |
|------------------------|---------------|---------------|-------------|
| Ornamental Fish | 8,216 | 7,649 | 7.4 |
| Accessories | 10,568 | 8,749 | 20.8 |
| Plastics | 2,941 | 2,702 | 8.8 |
| | 21.725 | 19,100 | 13.7 |

Period ended 30 June

The Accessories segment was the star performer in the latest second quarter, chalking up 20.8% higher sales to \$10.6 million as it leveraged on the Group's existing overseas distribution network whilst adding new untapped markets and expanding domestic channels in Malaysia, China and Thailand.

Revenue from Ornamental Fish was uplifted by 7.4% to \$8.2 million, thanks to the continued growth in Dragon Fish sales, congruent with the overall improvement in the sales performance of other ornamental fish as the Group added more customers and export markets.

Its Plastics unit posted an 8.8% rise in sales to \$2.9 million from an expanded customer base and a different product mix.

Operating Profit

| \$'000 | 2Q2017 | 2Q2016 | Change (%) |
|---------------------------------------|-----------|-----------|--------------|
| Ornamental Fish | 23 | 173 | (86.7) |
| Accessories | 432 | 223 | 93.7 |
| Plastics | 222 | 190 | 16.8 |
| Unallocated Corporate Expenses | (614) | (563) | (9.1) |
| | 63 | 23 | 173.9 |

Period ended 30 June

Accessories

The Accessories business posted the largest gain with a 93.7% jump in operating profit to \$432,000, in line with its stellar sales performance in the second quarter, as well as the higher margins yielded from own-branded products.

Ornamental Fish

Despite achieving 7.4% higher revenue in the three months to 30 June 2017, the Ornamental Fish segment was dragged down by initial start-up expenses in relation to the Group's new aquaculture business in Hainan which was set up in January 2017. The 51%-owned subsidiary, Qian Hu Aquaculture (Hainan) Co., Ltd, farms antibiotic-free edible fish, such as groupers, for the China market.

Plastics

The higher revenue achieved in the current quarter, coupled with a different sales mix, accounted for the 16.8% improvement in operating profit to \$222,000.

EPS and NAV Per Share

In its latest second quarter results, the Group's earnings per share on a fully diluted basis increased to 0.02 Singapore cents while net asset value per share remained consistent, rising marginally to 44.52 Singapore cents as at 30 June 2017.

At half time, the Group's cash and cash equivalents increased to \$8.2 million.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said:

“We are pleased that Qian Hu's fundamentals remained strong and robust, and that our efforts at exporting our proprietary Accessories products to our existing distribution network and new markets have produced encouraging results. Our Ornamental Fish segment would have yielded higher levels of profitability if not for the initial start-up expenses for our new aquaculture business in Hainan. Off to a good start in the last few months, this new business segment hopes to gain excellence in the sustainable farming of edible fish for the massive China consumer market, which has the potential of being many times bigger than our existing Ornamental Fish business, if executed correctly. We are expecting positive contributions from this new business in 2018.”

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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 have bagged the most number of awards – 13 awards in total (eight Gold, two Bronze, two Merit and the Best Chief Financial Officer Award).

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.