



PRESS RELEASE

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Qian Hu's 2Q19 net profit up 61.6%, boosted by higher-margin edible fish sales

\$'000	2Q2019	2Q2018	Change (%)	1H2019	1H2018	Change (%)
Revenue	19,215	21,949	(12.5)	38,067	43,559	(12.6)
Gross Profit	5,879	6,608	(11.0)	11,607	13,136	(11.6)
Net Profit	236	146	61.6	273	181	50.8

Period ended 30 June

SINGAPORE – 17 July 2019 – Mainboard-listed integrated fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported that net profit attributable to shareholders for the second quarter of FY2019 jumped 61.6% to \$236,000

This was achieved despite Group revenue declining by 12.5% to \$19.2 million, dragged down by lower sales recorded in all of the Group’s business segments – namely, Fish, Accessories and Plastics.

Net profit attributable to shareholders for the first six months of the year rose 50.8% to \$273,000 while Group revenue dipped 12.6% to \$38.1 million.

Revenue By Segments

\$'000	2Q2019	2Q2018	Change (%)
Fish	7,619	8,968	(15.0)
Accessories	8,803	10,058	(12.5)
Plastics	2,793	2,923	(4.4)
	19,215	21,949	(12.5)

Period ended 30 June

Fish

In the latest second quarter, revenue from the Group's Fish segment retreated by 15.0% to \$7.6 million. This was despite improved sales from the Group's aquaculture business in Hainan, and its continuous efforts to boost ornamental fish exports. However, these were dampened by the intense price competition of Dragon Fish since FY2018.

Accessories

Sales of Accessories similarly decreased by 12.5% to \$8.8 million, largely due to the result of the disposal of the Group's Shanghai subsidiary in 4Q2018 as it streamlined its operations in China by trimming operating costs and enhancing its inventory and logistics management. In addition, exports of Accessories products were affected by the weakening purchasing sentiments around the world led by the volatility of trading currencies and sentiments compounded by the on-going trade war between United States and China.

Plastics

Revenue from the Group's Plastics segment was shaved by 4.4% to \$2.8 million, from weakened domestic demand. The Group mitigated the situation by focusing on selling products with more sustainable margins, thereby avoiding a price war with competitors.

Operating Profit By Segments

\$'000	2Q2019	2Q2018	Change (%)
Fish	588	378	55.6
Accessories	429	583	(26.4)
Plastics	254	162	56.8
Unallocated Corporate Expenses	(950)	(890)	(6.7)
	321	233	37.8

Period ended 30 June

Fish

Despite posting lower revenue, the Group's Fish segment achieved a 55.6% surge in operating profit to \$588,000, boosted by higher sales of edible fish that fetched higher margins, while gradually downsizing its Dragon Fish activities.

Accessories

The Accessories segment, however, recorded a 26.4% decrease in operating profit to \$429,000, due to the disposal of the Shanghai subsidiary, as well as its on-going efforts to capture more sales.

Plastics

The operating profit from Plastics segment rose 56.8% to \$254,000, despite lower revenue registered, due to improved profit margins and a different sales mix.

EPS and NAV Per Share

In its latest second quarter results, the Group's earnings per share on a fully diluted basis rose from 0.13 Singapore cent in the year-ago period to 0.21 Singapore cent in the latest quarter, while net asset value per share increased slightly to 45.03 Singapore cents as at 30 June 2019.

For the first six months, the Group's cash and cash equivalents increased to \$13.7 million.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "Despite the challenging business landscape worldwide, we remain optimistic that the performance of our Fish business will improve in the coming quarters, as we continue our growth trajectory for our aquaculture business in Hainan. We also hope to see the positive benefits from the restructuring of our Accessories operations in China in the months ahead."

"We believe that we have the right combination of quality products, an innovative and creative mind-set, a strategic roadmap and a strong business network that will drive our performance."

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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.