



## PRESS RELEASE

### **Contact Information:**

Tishrei Communications

Ho See Kim, [seekim@tishrei.sg](mailto:seekim@tishrei.sg)

Tel: 96313602

# **Qian Hu's 1Q2017 net profit increases to \$36,000 on higher sales of Ornamental Fish and Accessories from overseas**

- *Group revenue rose 10.0% to \$21.6M from increased contributions from all core segments*
- *Expects business landscape to remain challenging as the Group focuses on developing innovative accessories, genetic breeding of Dragon Fish as well as the sustainable farming of edible fish*

\$'000	1Q2017	1Q2016	Change (%)
Revenue	21,575	19,611	10.0
Gross Profit	6,247	5,940	5.2
Net Profit	36	12	200.0

*Period ended 31 March*

**SINGAPORE – 17 April 2017** – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) reported today that its net profit attributable to shareholders tripled to \$36,000 for the first quarter of FY2017.

This was achieved on the back of a 10.0% jump in Group revenue to \$21.6 million, largely due to higher contributions from all of its core business segments, particularly, Ornamental Fish and Accessories.

## Revenue By Segments

<b>\$'000</b>	<b>1Q2017</b>	<b>1Q2016</b>	<b>Change (%)</b>
<b>Ornamental Fish</b>	9,267	8,408	10.2
<b>Accessories</b>	9,470	8,501	11.4
<b>Plastics</b>	2,838	2,702	5.0

*Period ended 31 March*

Ornamental Fish sales, in the latest first quarter ended 31 March 2017, jumped 10.2% to \$9.3 million largely due to the improved performance of its Dragon Fish sales as well as increased exports to more customers and countries around the world.

Its Accessories segment similarly reported stellar results, boosted by higher sales contribution from its existing overseas distribution bases in Malaysia, China, Thailand, as well as the newly acquired Guangzhou subsidiary. Revenue from the Accessories segment surged 11.4% to \$9.5 million in the latest three months.

The Group's Plastics segment grew by 5.0% to \$2.8 million, thanks to its enlarged customer base and product mix.

As at 31 March 2017, the Group's cash and cash equivalents grew to \$9.2 million.

## Operating Profit

<b>\$'000</b>	<b>1Q2017</b>	<b>1Q2016</b>	<b>Change (%)</b>
<b>Ornamental Fish</b>	382	276	38.4
<b>Accessories</b>	285	92	209.8
<b>Plastics</b>	201	223	(9.9)
<b>Unallocated Corporate Expenses</b>	(693)	(589)	(17.7)
	<b>175</b>	<b>2</b>	

*Period ended 31 March*

## Ornamental Fish

Boosted by increased sales and a higher-margin sales mix during the quarter in review, the operating profitability of the Group's Ornamental Fish segment rose by 38.4% to \$382,000.

### *Accessories*

Operating profit of its Accessories segment surged 209.8% to \$285,000 in line with higher revenue contribution.

### *Plastics*

The operating profitability of its Plastics segment, however, suffered a 9.9% dip to \$201,000, due to the gradual increase in overall operational costs.

### **EPS and NAV Per Share**

In the latest first quarter earnings just released, the Group's earnings per share on a fully diluted basis rose to 0.03 Singapore cents while net asset value per share increased to 44.56 Singapore cents as at 31 March 2017.

Moving ahead, the Group see a continually challenging business landscape, requiring businesses to be innovative, nimble and agile.

Said **Kenny Yap, Qian Hu's Executive Chairman and Managing Director**: "Over the years, Qian Hu has demonstrated its resilience by transforming itself in order to stay ahead of the competition and to strengthen its fundamentals. We will continue to focus on innovation to expand our product pipeline - particularly in the areas of filtration, fish nutrition and genetic breeding of unique Dragon Fish."

"We are also working hard at building our new aquaculture business – which is, the sustainable farming of edible fish for the consumer market. We envisage that the aquaculture business has the potential of being many times bigger than our existing businesses, if we execute it correctly. All these initiatives will continue to position us favourably as we move ahead to achieve our vision of being the world's largest ornamental fish company."

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.

## **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.*

*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 one 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.*