



Taipei, 14 August 2017

VHQ announces second quarter 2017 results Net Income and EPS hit all-time quarterly record

VHQ Media Holdings Ltd today announced financial result for second quarter ended June 30, 2017.

| <i>NTD in thousands, except percentages and per share amounts</i> | 2nd Quarter | | | 1H Ended June | | |
|---|-----------------|---------|--------------|---------------|---------|--------------|
| | Ended June 30th | | Year on Year | 30th | | Year on Year |
| | 2017 | 2016 | % Changes | 2017 | 2016 | % Changes |
| Revenue | 309,140 | 253,347 | 22% | 613,967 | 486,880 | 26% |
| Net Income | 106,039 | 46,018 | 130% | 191,717 | 81,383 | 136% |
| Net Income Attributable to VHQ | 97,467 | 39,493 | 147% | 179,581 | 56,965 | 215% |
| Earnings per share | 3.02 | 1.22 | 148% | 5.56 | 1.76 | 216% |

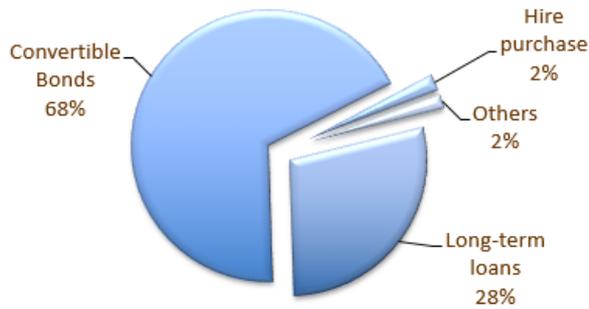
The company reported quarterly revenue of NTD309.14 million with net income attributable to VHQ at NTD97.467 million and quarterly earnings per share of 3.02. Quarterly growth for revenue is 22%, net income attributable to VHQ is 147% and earnings per share is 148% compared to same period in previous year. "With robust service revenue growth of 64% in feature film sector for second quarter of the year, we are happy to report all-time quarterly record for our revenue and net income", said Low Kok Wah, VHQ's CEO.

Quarterly net income margin increased from 18% to 34% year-on-year, as a result of the company's ability to realise economies of scale from increased revenue and higher end visual effects work. As well, the additional 32% shareholding in VHQ Beijing which the company acquired in January 2017, contributed to EPS 0.62 in Q2 of 2017.

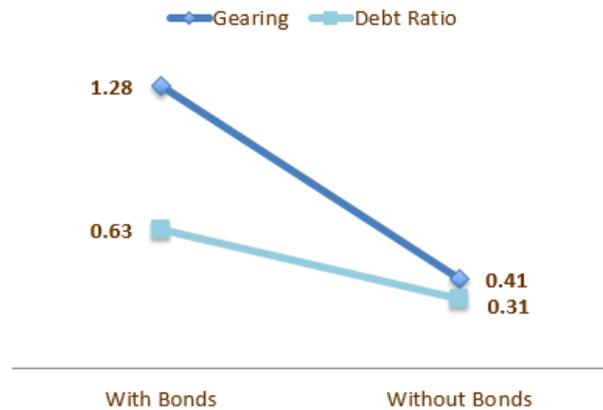
Total net income for 1H 2017 was also augmented by an additional net income of NTD45 million in Q1, as a result of gains from of the partial divestment of the box office revenue rights for "Amazing Journey", a Chinese movie executive produced by the Russo brothers and currently in post-production. The company expects more of such gains in the remaining half of 2017.

Net income growth YTD has contributed to ROE of 37.15%. For the last 4 consecutive quarters prior to this, ROE has been consistently above 20%.

Debt Composition as at June 2017



Debt Ratio



There is significant increase in total long-term debts for 1H 2017 due to issuance of convertible bonds in September 2016, the proceeds of which were used to acquire an additional of 32% stake in VHQ Beijing. The company’s gearing ratio and debt ratio have increased to 1.28 and 0.63 respectively. However, VHQ is confident that the ratio will be reduced and will stay below 0.50 upon conversion of its outstanding convertible bonds. The company reported healthy condition in its overall financial condition in 1H of 2017.

Business outlook for second half of 2017

According to Low Kok Wah, the CEO of VHQ, “the company is optimistic about its business outlook in the second half of the year”. The China market continues to increase its domestic made movies in which VHQ has in hand an order book from now until end of 2018. In addition, the company will increase its revenue from projects in the internet drama and movie space. Over a period of 2 years, the Company expects to double the size of its staff strength in China.



ABOUT VHQ :

VHQ was established in Singapore in 1987 as a post-production studio. In 2001, its then Managing Director lead an MBO exercise and recapitalised the company operates a network covering Asean. In 2013, VHQ China was launched to service the ever increasing volume of work, mainly feature films, which originated from China. In 2014, VHQ Media Holdings Ltd was incorporated and was listed in December 2015 on the Taipei Exchange (Ticker - VHQ-KY 4803). VHQ's core business is in the production of visual effects, animation, motion graphics and post production services for commercials & feature films.

VHQ celebrates its 30th anniversary in 2017 with thriving facilities in Singapore, Malaysia, Indonesia, Taiwan and China.

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