



## PRESS RELEASE

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# Qian Hu posts 1Q16 net profit of \$12,000

- *Group revenue declined 5.6% to \$19.6 million year-on-year from the continued impact of a persistently sluggish global economy*
- *Notwithstanding the current business challenges, the Group is focused on achieving its goal of becoming the world's largest ornamental fish company while its export hubs in Singapore, Thailand, Indonesia and China continue to move into higher gear.*

\$'000	1Q2016	1Q2015	Change (%)
Revenue	19,611	20,769	(5.6)
Gross Profit	5,940	5,779	2.8
Net Profit	12	112	(89.3)

*Period ended 31 March*

**SINGAPORE – 18 April 2016** – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a first-quarter net profit attributable to shareholders of \$12,000 for the first three months of FY2016 ended 31 March.

This was achieved despite Group revenue declining 5.6% to \$19.6 million from the continued impact of a persistently sluggish global economy.

## Revenue By Segments

\$'000	1Q2016	1Q2015	Change (%)
<b>Ornamental Fish</b>	8,408	9,028	(6.9)
<b>Accessories</b>	8,501	9,016	(5.7)
<b>Plastics</b>	2,702	2,725	(0.8)

*Period ended 31 March*

In the latest first quarter, revenue generated by the Group's core Ornamental Fish segment slid 6.9% to \$8.4 million mainly due to the sluggish Eurozone economy, as well as flagging demand for its Dragon Fish in China plagued by a slowing domestic economy. However, the Group's export hubs in Singapore, Malaysia, Thailand and Indonesia managed to sell more fish to more countries and markets around the world in the latest first quarter compared to the previous 4Q2015.

The Group's core Accessories segment posted a 5.7% dip in sales to \$8.5 million as a result of continued weakness in consumer purchasing sentiment in Malaysia arising from the country's domestic economic uncertainties and the devaluation of the Ringgit since the second half of FY2015. Revenue contribution from the Group's business units in Malaysia declined when translated to the Singapore dollar, the Group's reporting currency.

Revenue from Qian Hu's Plastics segment remained relatively stable in the first quarter, decreasing marginally by 0.8% to \$2.7 million year-on-year.

## Operating Profit

\$'000	1Q2016	1Q2015	Change (%)
<b>Ornamental Fish</b>	276	312	(11.5)
<b>Accessories</b>	92	325	(71.7)
<b>Plastics</b>	223	181	23.2
<b>Unallocated Corporate Expenses</b>	(589)	(565)	(4.2)
	<b>2</b>	<b>253</b>	<b>(99.2)</b>

*Period ended 31 March*

### *Ornamental Fish*

Operating profit from Ornamental Fish sustained relatively flat growth, declining slightly by 11.5% to \$276,000 despite a reduction in revenue in 1Q2016. This was the result of a different

sales mix coupled with the resilience of its export business, which continued to generate stable revenue and respectable profit margins.

*Accessories*

The Accessories segment suffered a significant decline in profitability in 1Q2016, decreasing by 71.7% to \$92,000 largely due to the continued weakness in consumer purchasing sentiment in Malaysia arising from the country's domestic economic uncertainties and the devaluation of the Ringgit since the second half of FY2015, as well as the Group's efforts in capturing more markets which lowered profit margins.

*Plastics*

In spite of the marginal dip in revenue in 1Q2016, the Plastics segment managed to improve its operating profit with a 23.2% rise to \$223,000 with higher profit margins and favourable raw material prices.

**Per Share Data**

Based on the Group's first quarter latest results, Qian Hu turned in earnings per share on a fully diluted basis of 0.01 Singapore cents, and net asset value per share of 44.36 Singapore cents as at 31 March 2016.

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

“Even as the clouds of economic uncertainty and geo-political upheaval loom around the world, the challenging business conditions continue to persist, plagued by the volatility in regional and international currencies. Notwithstanding, the Group remains focused on our business fundamentals and technology to build a strong pipeline of compelling products for our customers, focusing on cutting-edge developments in filtration, fish nutrition and genetic breeding of unique Dragon Fish. We look forward to achieving our goal of becoming the world's largest ornamental fish company while our export hubs in Singapore, Thailand, Indonesia and China continue to move into higher gear.”

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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.*

*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.*

*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.*