



PRESS RELEASE

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Qian Hu’s 4Q14 net profit jumps 155% to \$176,000 as core businesses improve

- *Group would have chalked up even higher profit if not for the loss of \$134,000 incurred from the disposal of its associate company in India*
- *Posts 4Q14 revenue of \$21.3 million due to stable contributions from Dragon Fish sales in China and export of Accessories, offset by a dip in Plastics*
- *Final dividend of 0.1 Singapore cents proposed - to be paid out on 17 April 2015*

\$'000	4Q2014	4Q2013	Change (%)	FY2014	FY2013	Change (%)
Revenue	21,298	21,555	(1.2)	83,526	83,462	0.1
Gross Profit	4,794	5,995	(20.0)	23,199	24,205	(4.2)
Net Profit	176	69	155.1	392	302	29.8

Period ended 31 December

SINGAPORE – 12 January 2015 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) announced today that the Group scored a 155.1% jump in net profit attributable to shareholders to \$176,000 in the last quarter ended 31 December 2014.

The Group would have chalked up even higher profit if not for the loss of \$134,000 incurred from the disposal of its associate company in India.

Revenue By Segments

\$'000	4Q2014	4Q2013	Change (%)	FY2014	FY2013	Change (%)
Ornamental Fish	8,710	8,671	0.4	35,371	34,562	2.3
Accessories	9,817	9,883	(0.7)	37,523	36,680	2.3
Plastics	2,771	3,001	(7.7)	10,632	12,220	(13.0)

Period ended 31 December

Thanks to the steady contributions from Dragon Fish sales in Northeast Asia, particularly China, and increased exports of ornamental fish and accessories from the Group's distribution points in Singapore, Malaysia, Thailand and Indonesia, Qian Hu achieved fourth quarter sales of \$21.3 million. Its Ornamental Fish segment raked in marginally higher sales quarter-on-quarter of \$8.7 million in 4Q14, while registering a 2.3% rise to \$35.4 million for the full year, benefited from the increased revenue contribution from its newly-incorporated subsidiary in Indonesia, as well as continued efforts in increasing ornamental fish exports.

In addition, its Accessories segment experienced a pick up in export demand, particularly from its own brands of innovative products. The Group's subsidiaries in Malaysia, Thailand and China have also managed to broaden their distribution networks to capture more sales. In the latest quarter, this segment posted marginally lower revenue of \$9.8 million, and a 2.3% increase to \$37.5 million for the full year.

Revenue from its plastics business, however, was impacted by the higher prices of raw materials which sparked an upward revision of selling prices that subsequently dampened demand in the first half of FY2014. Demand for its plastics products has since resumed gradually in the latter half of the fiscal year. This segment achieved 4Q14 sales of \$2.8 million and FY14 revenue of \$10.6 million.

Operating Profit By Segments

\$'000	4Q2014	4Q2013	Change (%)	FY2014	FY2013	Change (%)
Ornamental Fish	301	216	39.4	1,105	826	33.8
Accessories	618	430	43.7	1,862	1,606	15.9
Plastics	112	164	(31.7)	423	713	(40.7)
Unallocated Corporate Expenses	(539)	(537)	(0.4)	(2,158)	(2,191)	1.5

Period ended 31 December

Ornamental Fish

In the latest fourth quarter, operating profit from the Ornamental Fish segment rose 39.4% to \$301,000 largely due the improved profit margins from higher demand for Dragon Fish in China as well as a different sales mix. On a full-year basis, the operating profit from this segment surged 33.8% to \$1.1 million.

Accessories

The Group's Accessories segment achieved a jump of 43.7% in 4Q14 operating profit to \$618,000 led by a strong performance from Qian Hu's proprietary brand of innovative accessories products as well as a different sales mix, despite marginally lower revenue contributions from its accessories export business. This segment posted a 15.9% rise in operating profit to \$1.9 million for the full year.

Plastics

The profitability of the plastics business was affected by higher raw material prices, coupled with the gradual increase in overall operational costs and lower sales registered. It achieved operating profit of \$112,000 in the fourth quarter of FY2014, down 31.7% to \$112,000 from the year-ago period. On a full-year basis, operating profit declined 40.7% to \$423,000.

Per Share Data

Based on the Group's latest results, Qian Hu's earnings per share on a fully diluted basis doubled to 0.04 Singapore cents in the fourth quarter, while achieving net asset value per share of 11.24 Singapore cents as at 31 December 2014.

Dividend

The Directors have proposed a final dividend of 0.1 Singapore cents per ordinary share, which is similar to that declared in FY2013. When approved by shareholders at the Annual General Meeting to be held on 19 March 2015, the final dividend will be paid out on 17 April 2015.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "We are pleased that our restructuring has begun to bear fruit, evidenced by the encouraging rebound in our core Ornamental Fish and Accessories segments. Moving ahead, we expect to see a steady growth in revenue and profitability of both these core businesses. With the stabilisation of Dragon Fish prices, the continued robust demand of our Dragon Fish in China, the growth of our Indonesian hub, and as we expand our fish export business to more

than 100 countries, we envisage that we are on track to achieving our long-term goal of gradually increasing our global market share, from the current 5% to 10%.

Our Accessories segment, which will similarly grow to more than 60 countries, will have an exciting pipeline of innovative, proprietary products such as cutting-edge filtration and sterilisation systems as well as a wide range of new-generation aquarium accessories using our HydroPure technology. In November 2014, we launched some exciting new products such as the RevoReef marine tank and other koi and stingray tanks at the hugely popular China International Pet Show in Beijing, and the response has been very encouraging.

Our early-mover advantage in fish nutrition, seeking to replace the inconvenience of live feeds with our highly-nutritious proprietary fish foods, as well as our leading-edge Dragon Fish research, which we began in 2007, will raise our Group's competitive edge. Qian Hu will be the first Dragon Fish farm in the world to genetically produce unique Dragon Fish in the next few years.

Meanwhile, with the resumption in demand for our Plastics products, and with the stabilisation of raw material prices, we expect margins from our Plastics division to improve in the quarters ahead."

Barring any unforeseen circumstances, the Group will continue to growth its revenue and remain profitable in FY2015.

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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.