



PRESS RELEASE

Contact Information:

Tishrei Communications

Ho See Kim, seekim@tishrei.sg

Tel: 96313602

Qian Hu's 2Q16 net profit jumps 25% to \$15,000

- *Group revenue dips marginally by 4.6% to \$19.1 million y-o-y with lower sales all-round due to the continued sluggish market conditions*
- *Expects market conditions to remain challenging, with volatility in regional and international currencies*
- *Remains focused on technology, as well as higher-margin products while managing overheads*

\$'000	2Q2016	2Q2015	Change (%)	1H2016	1H2015	Change (%)
Revenue	19,100	20,026	(4.6)	38,711	40,795	(5.1)
Gross Profit	5,827	5,753	1.3	11,767	11,532	2.0
Net Profit	15	12	25.0	27	124	(78.2)

Period ended 30 June

SINGAPORE – 19 July 2016 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a 25.0% jump in net profit attributable to shareholders to \$15,000 for the second quarter ended 30 June 2016.

This was achieved despite a marginal dip in Group revenue of 4.6% to \$19.1 million, contributed by lower sales from all of its business segments.

Revenue By Segments

\$'000	2Q2016	2Q2015	Change (%)
Ornamental Fish	7,649	7,770	(1.6)
Accessories	8,749	9,389	(6.8)
Plastics	2,702	2,867	(5.8)
	19,100	20,026	(4.6)

Period ended 30 June

In the latest second quarter, Ornamental Fish sales dipped 1.6% to \$7.8 million due to the slowdown in demand of Dragon Fish as a result of China's sluggish economy as well as the extreme flooding in its central and southern provinces since mid June 2016 which brought about widespread disruption to its domestic distribution network.

Accessories sales declined by 6.8% to \$8.7 million y-o-y due to a different sales mix, coupled with a change in purchasing trend by two of its major export customers since the beginning of FY2016.

Revenue from its Plastics unit decreased by 5.8% to \$2.7 million due to flagging demand from its Singapore market since the beginning of the year. To mitigate this impact, the Company focused on products with sustainable margins and resisted from engaging in a price war with competitors.

Operating Profit

\$'000	2Q2016	2Q2015	Change (%)
Ornamental Fish	173	84	106.0
Accessories	223	367	(39.2)
Plastics	190	204	(6.9)
Unallocated Corporate Expenses	(563)	(576)	2.3
	23	79	(70.9)

Period ended 30 June

Ornamental Fish

Despite the 1.6% dip in revenue in 2Q16, the Group's Ornamental Fish segment managed to increase its operating profit by 106% to \$173,000 by changing its sales mix, thereby demonstrating the resilience of the ornamental fish export business.

Accessories

The Accessories business posted a 39.2% decline in operating profit to \$223,000 as a result of lower revenue and the Group's on-going efforts to capture more sales, which affected profit margin in the current quarter.

Plastics

The lower revenue recorded by the Group's Plastics unit, coupled with a difference in sales mix, led to the 6.9% reduction in 2Q16 operating profit to \$190,000.

EPS and NAV Per Share

Based on the Group's latest second quarter results, Qian Hu's earnings per share on a fully diluted basis remained at 0.01 Singapore cents while net asset value per share dipped marginally to 44.15 Singapore cents as at 30 June 2016.

The Group's cash and cash equivalents stood at \$6.9 million as at the end of the second quarter.

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

"Despite the continued uncertainties in Europe and around the world, the Group expects the challenging market conditions to persist, as well as the volatility in regional and international currencies. We will continue to strengthen our business fundamentals, financial position and technology aggressively, while focusing on selling higher-margin products and managing our overheads and other operating costs. We will continue to develop cutting edge products in filtration, fish nutrition and genetic breeding of unique Dragon Fish, as well as explore other growth drivers. We believe that Qian Hu's fundamentals remain strong and robust."

###

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.