



## PRESS RELEASE

### **Contact Information:**

Tishrei Communications

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

Tel: 96313602

# Qian Hu's 3Q15 net profit jumps 17.7% to \$93,000

- *Operating profit of Ornamental Fish segment surged 21.8% in the latest third quarter while Accessories segment dipped 26.7%, affected by sluggish sales in Malaysia due to the current political situation and the depreciation of the Ringgit.*
- *Plastics segment's operating profit jumped 59.8% in 3Q15 as prices of its products and raw materials stabilised*
- *Despite the challenging outlook, the Group is focused on driving transformation and innovation while keeping a close watch on overheads and profitability*

\$'000	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
<b>Revenue</b>	17,840	20,461	(12.8)	58,635	62,228	(5.8)
<b>Gross Profit</b>	4,948	5,904	(16.2)	16,480	18,405	(10.5)
<b>Net Profit</b>	93	79	17.7	217	216	0.5

*Period ended 30 September*

**SINGAPORE – 16 October 2015** – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a jump of 17.7% in net profit attributable to shareholders to \$93,000 for the third quarter ended 30 September 2015.

This was achieved despite a 12.8% dip in Group revenue to \$17.8 million, due to the persistently sluggish global economy.

### Revenue By Segments

\$'000	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
<b>Ornamental Fish</b>	6,879	8,351	(17.6)	23,677	26,661	(11.2)
<b>Accessories</b>	8,163	9,456	(13.7)	26,568	27,706	(4.1)
<b>Plastics</b>	2,798	2,654	5.4	8,390	7,861	6.7

*Period ended 30 September*

In the latest third quarter, Ornamental Fish sales slipped 17.6% to \$6.9 million due to the depressed markets in the Eurozone and Russia. The prolonged uncertainties in Eurozone made a dent in the Group's ornamental fish export business as Europe typically accounted for more than 20% of the Group's ornamental fish business.

During the three months ended 30 September 2015, Accessories sales declined by 13.7% to \$8.2 million y-o-y largely due to the reluctance by retailers to stock up on new products, citing lower consumer demand across all states in Malaysia as a result of its domestic political uncertainties and its impact on the Malaysian economy, particularly the Ringgit which devalued by more than 15% since the beginning of FY2015.

In 3Q15, Qian Hu's Plastics revenue surged 5.4% to \$2.8 million following the stabilization of selling prices in the market.

As at 30 September 2015, the Group's cash and cash equivalents stood at \$8.0 million.

### Operating Profit By Segments

\$'000	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
<b>Ornamental Fish</b>	318	261	21.8	714	804	(11.2)
<b>Accessories</b>	311	424	(26.7)	1,003	1,244	(19.4)
<b>Plastics</b>	155	97	59.8	540	311	73.6
<b>Unallocated Corporate Expenses</b>	(575)	(539)	(6.7)	(1,716)	(1,619)	(6.0)

*Period ended 30 September*

*Ornamental Fish*

The operating profitability of the Group's Ornamental Fish segment surged 21.8% in the latest third quarter to \$318,000, thanks to a higher-margin sales mix in fish exports.

*Accessories*

The Accessories business posted a third-quarter decline of 26.7% to \$311,000 that was in line with lower revenue contributions from Malaysia due to its domestic political situation coupled with the adverse impact of the depreciation of the Ringgit.

*Plastics*

Operating profit for the Group's Plastics segment jumped 59.8% to \$155,000 in the latest quarter, following the stabilisation of selling prices as well as prices of plastic resins which drove margins upwards.

**EPS and NAV Per Share**

Based on the Group's latest third-quarter results, Qian Hu's earnings per share on a fully diluted basis rose marginally to 0.08 Singapore cents while net asset value per share dipped to 44.47 Singapore cents as at 30 September 2015.

**Kenny Yap, Qian Hu's Executive Chairman and Managing Director**, said: "The headwinds of economic volatility and market uncertainty are expected to persist, exacerbated by the variability of regional and international currencies. We are meeting these challenges head-on with our unwavering commitment to transform Qian Hu into an innovative ornamental fish company, focusing on cutting-edge product developments in filtration, fish nutrition and genetic-breeding of unique Dragon Fish. We will also focus on building a strong pipeline of innovative, higher-margin products, while keeping a tight rein on our overheads and other operating expenses."

###

### **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.*