



PRESS RELEASE

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Qian Hu closes FY2015 in the black despite posting net loss of \$198,000 in 4Q

- *Impacted by recessionary conditions in Europe, Russia, coupled with the Ringgit devaluation in Malaysia and weak market conditions in China, the Group's 4Q revenue dipped 9.2% to \$19.3 million while full-year revenue slid 6.7% to \$78 million*
- *The only bright spark was the Group's Plastics segment which reported improvements in sales and profitability in 4Q and FY2015*
- *Final dividend of 0.2 Singapore cents proposed - to be paid out on 21 April 2016*

\$'000	4Q2015	4Q2014	Change (%)	FY2015	FY2014	Change (%)
Revenue	19,335	21,298	(9.2)	77,970	83,526	(6.7)
Gross Profit	5,684	4,794	18.6	22,164	23,199	(4.5)
Net (Loss)/ Profit	(198)	176	(212.5)	19	392	(95.2)

Period ended 31 December

SINGAPORE – 12 January 2016 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“Qian Hu”) today reported that the Group registered a net profit attributable to shareholders of \$19,000 for the full-year ended 31 December 2015 despite posting a net loss of \$198,000 in the fourth quarter.

Impacted by a persistently sluggish global economy, Group revenue for the full-year dipped 6.7% to \$78.0 million while 4Q sales declined 9.2% to \$19.3 million.

EPS and NAV Per Share

Based on the Group's latest results, Qian Hu registered a loss per share of 0.17 Singapore cents in 4Q2015, while posting net asset value per share of 44.31 Singapore cents as at 31 December 2015.

For the full year, the Group managed to achieve earnings per share of 0.02 Singapore cents.

Revenue By Segments

\$'000	4Q2015	4Q2014	Change (%)	FY2015	FY2014	Change (%)
Ornamental Fish	7,695	8,710	(11.7)	31,372	35,371	(11.3)
Accessories	8,831	9,817	(10.0)	35,399	37,523	(5.7)
Plastics	2,809	2,771	1.4	11,199	10,632	5.3

Period ended 31 December

In the latest fourth quarter, both of its core Ornamental Fish and Accessories sales slid 11.7% and 10% to \$7.7 million and \$8.8 million respectively, impacted by the prolonged recession in Europe and a depressed Russian economy plagued by economic sanctions and failing oil prices. In addition, China's domestic market was also hit by extreme stock market volatility and weak economic data since the latter half of 2015.

The reluctance by retailers in Malaysia to stock up on new Accessories products because of weak consumer sentiment as result of Malaysia's domestic political uncertainties and the devaluation of the Ringgit made a significant dent in the performance of the Group's subsidiaries in Malaysia.

Qian Hu's Plastics revenue was the only bright spark with sales improving by 1.4% to \$2.8 million in the latest quarter, thanks to stabilized raw material and selling prices.

For the full year, Ornamental Fish revenue dipped 11.3% to \$31.4 million, while Accessories declined 5.7% to \$35.4 million. Plastics sales rose 5.3% to \$11.2 million.

As at 31 December 2015, the Group's cash and cash equivalents stood at \$7.8 million.

Operating Profit By Segments

\$'000	4Q2015	4Q2014	Change (%)	FY2015	FY2014	Change (%)
Ornamental Fish	76	301	(74.8)	790	1,105	(28.5)
Accessories	143	618	(76.9)	1,146	1,862	(38.5)
Plastics	183	112	63.4	723	423	70.9
Unallocated Corporate Expenses	(394)	(539)	26.9	(2,110)	(2,158)	2.2

Period ended 31 December

Ornamental Fish

In 4Q2015, the Ornamental Fish segment's operating profit dived 74.8% to \$76,000 while full-year profitability fell 28.5% to \$790,000, largely due to flagging demand for Dragon Fish in China, plagued by volatility in its domestic stock markets and weak economic data, as well as the weak market conditions in Europe and Russia.

Accessories

The operating profit of the Accessories segment similarly plunged 76.9% to \$143,000 in the fourth quarter and 38.5% to \$1.1 million for the full year, in line with significantly lower revenue performance. The depreciation of the Malaysian Ringgit also adversely impacted the profitability of the Group's subsidiaries in Malaysia when translated into the Group's reporting currency of the Singapore Dollar.

Plastics

Operating profit for the Group's Plastics segment surged 63.4% to \$183,000 in the latest quarter and 70.9% to \$723,000 for the full year, following the stabilisation of raw material and selling prices which helped to lift margins.

Dividend

A first and final dividend of 0.2 Singapore cents per ordinary share is proposed, which when approved by shareholders at the Annual General Meeting to be held on 23 March 2016, will be paid out on 21 April 2016.

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

"These are challenging times indeed as we encounter bouts of market volatility, economic uncertainty and geo-political turbulence. We expect these challenging conditions to persist, and will continue to take the necessary measures to adjust and transform, focusing on

building a strong pipeline of innovative, higher-margin products, while keeping a tight rein on our overheads and other expenses in order to improve our operating performance.”

Moving ahead, the Group is fully committed to its transformation into an innovative ornamental fish company, focusing on cutting-edge product developments in filtration, fish nutrition and genetic-breeding of unique Dragon Fish.

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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. 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.