



## PRESS RELEASE

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# Qian Hu posts marginal 3Q16 profit on 10% rise in revenue to \$19.6M

- *Higher sales contributions from all core segments*
- *Expects the business landscape to remain challenging*
- *Remains focused on innovation and technology, as well as higher-margin products while managing overheads*

\$'000	3Q2016	3Q2015	Change (%)	9M2016	9M2015	Change (%)
<b>Revenue</b>	19,647	17,840	10.1	58,358	58,635	(0.5)
<b>Gross Profit</b>	5,918	5,068	16.8	17,685	16,600	6.5
<b>Net Profit</b>	5	93	(94.6)	32	217	(85.3)

*Period ended 30 September*

**SINGAPORE – 17 October 2016** – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a net profit attributable to shareholders of \$5,000 for the third quarter ended 30 September 2016.

This was achieved on the back of a 10.1% increase in Group revenue to \$19.6 million, thanks to higher contributions from its business segments all-round.

## Revenue By Segments

<b>\$'000</b>	<b>3Q2016</b>	<b>3Q2015</b>	<b>Change (%)</b>
<b>Ornamental Fish</b>	7,647	6,879	11.2
<b>Accessories</b>	9,184	8,163	12.5
<b>Plastics</b>	2,816	2,798	0.6

*Period ended 30 September*

In the latest third quarter, sales of Ornamental Fish grew 11.2% largely due to the gradual resumption of purchasing from European markets, as well as the Group's continual efforts to diversify its Ornamental Fish exports to more customers and more countries around the world through its export hubs in Singapore, Malaysia, Thailand and Indonesia.

These efforts also resulted in Accessories revenue rising by 12.5% in 3Q2016, with its subsidiaries in Malaysia and Thailand, along with its home-base in Singapore, managing to continually expand their distribution networks to capture more sales.

The Group's Plastics segment remained consistent in the current quarter, expanding marginally by 0.6% to \$2.8 million.

As at 30 September 2016, the Group's cash and cash equivalents stood at \$7.3 million.

## Operating Profit By Segments

<b>\$'000</b>	<b>3Q2016</b>	<b>3Q2015</b>	<b>Change (%)</b>
<b>Ornamental Fish</b>	164	318	(48.4)
<b>Accessories</b>	274	311	(11.9)
<b>Plastics</b>	239	155	54.2
<b>Unallocated Corporate Expenses</b>	(584)	(575)	(1.6)

*Period ended 30 September*

### *Ornamental Fish*

Despite higher sales recorded in the latest third quarter, the operating profitability of the Group's Ornamental Fish segment declined by 48.4% due to a different sales mix in fish exports.

*Accessories*

Operating profit of its Accessories segment similarly dipped by 11.9% due to its on-going efforts to capture more sales, while sacrificing a portion of its profit margin.

*Plastics*

The Plastics segment, however, bucked the trend by recording strong growth in profitability, jumping 54.2% to \$239,000, thanks to improved profit margins and a different sales mix recorded in the latest quarter.

**EPS and NAV Per Share**

In 3Q2016, Qian Hu's earnings per share on a fully diluted basis was 0.01 Singapore cents while net asset value per share was maintained at 44.31 Singapore cents as at 30 September 2016.

**Kenny Yap, Qian Hu's Executive Chairman and Managing Director**, said: "The business landscape continues to be challenging. Nevertheless, we believe our business model continues to be robust, and we will spare no effort to leverage on innovation and advanced technology to transform Qian Hu into a next-generation ornamental fish company with a strong pipeline of innovative accessories products. We will also strive to strengthen our business fundamentals while focusing on selling higher margin products and managing costs in order to improve our operating performance."

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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.*