



PRESS RELEASE

Contact Information:

Tishrei Communications

Ho See Kim, seekim@tishrei.sg

Tel: 96313602

Qian Hu records net profit of \$12,000 in 2Q15

- *Group revenue dips marginally by 5.0% to \$20.0 million y-o-y despite Ornamental Fish segment being affected by the economic uncertainties in Europe while Accessories business continues to be stable and Plastics business rebounds from stabilization in raw material prices*
- *Group continues to be steadfast in its focus on innovation and automation, as it transforms into a next-generation ornamental fish company with a strong pipeline of innovative products.*

\$'000	2Q2015	2Q2014	Change (%)	1H2015	1H2014	Change (%)
Revenue	20,026	21,069	(5.0)	40,795	41,767	(2.3)
Gross Profit	5,753	6,299	(8.7)	11,532	12,501	(7.8)
Net Profit	12	22	(45.5)	124	137	(9.5)

Period ended 30 June

SINGAPORE – 16 July 2015 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a net profit attributable to shareholders of \$12,000 for the second quarter ended 30 June 2015 which was achieved on the back of a 5.0% decline in Group revenue to \$20.0 million, due to the persistently sluggish global economy.

In the latest second quarter, Ornamental Fish sales were down 15.4% to \$7.8 million due to the financial crisis in Greece which affected the purchasing sentiment of the Group’s European customers. In addition, fish exports to Russia had declined due to the sanctions and weaker oil prices that took a toll on the Russian economy. The unprecedented prolonged

recession in Europe continued to impact the Group's Ornamental Fish sales as Europe accounted for more than 20% of the Group's Ornamental Fish business.

Accessories sales remained stable at \$9.4 million y-o-y whilst the Plastics business saw a jump of 13.0% in sales to \$2.9 million due to the stabilization of selling prices in the market which spurred greater demand for its products.

For the first half of fiscal year 2015, the Group posted net profit attributable to shareholders of \$124,000 on revenue of \$40.8 million. As at 30 June 2015, the Group's cash and cash equivalents stood at \$7.7 million.

Operating Profit

\$'000	2Q2015	2Q2014	Change (%)
Ornamental Fish	84	239	(64.9)
Accessories	367	382	(3.9)
Plastics	204	81	151.9
Unallocated Corporate Expenses	(576)	(537)	(7.3)
	79	165	(52.1)

Period ended 30 June

Ornamental Fish

Despite generating respectable profit margins from its export activities, the Group's Ornamental Fish segment was largely affected by the plunge in revenue contribution resulting from the uncertainties surrounding the financial crisis in Greece and the geopolitical turmoil in Europe. Operating profit from this segment declined 64.9% to \$84,000.

Accessories

The Accessories business posted a marginal dip in operating profit of about 3.9% to \$367,000 despite stable revenue contributions in 2Q2015 as a result of a different sales mix as well as the Group's continual efforts to capture more sales, which continued to affect profit margin in the current quarter.

Plastics

Following the stabilisation of selling prices as well as raw material prices, the Group's Plastics segment reported a 151.9% surge in operating profit to \$204,000, boosted by higher sales and improved profit margins.

EPS and NAV Per Share

Based on the Group's latest half-year results, Qian Hu's earnings per share on a fully diluted basis remained at 0.03 Singapore cents while net asset value per share dipped marginally to 11.14 Singapore cents as at 30 June 2015.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "While we are waiting for market conditions to improve, the Group is responding to these unprecedented economic and geopolitical challenges by continually seeking to diversify our customer base and markets. Meanwhile, our quest 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, remains unabated. We believe that Qian Hu's fundamentals are strong and our business continues to be robust. In the long run, Qian Hu will remain resilient and sustainable in an increasingly challenging business environment. Barring unforeseen circumstances, the Group will continue to grow its revenue and be 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. 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.