



## PRESS RELEASE

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# **Qian Hu's 1Q14 net profit surges 86% to \$115,000 as Dragon Fish segment recovers**

- *Group revenue in 1Q14 rose 2.4% to \$20.7 million with sales of Ornamental Fish rising 8.2% while Accessories segment remained consistent due to different sales mix*
- *Qian Hu continues to focus on innovation in the automation of its fish operations, cutting-edge product developments in filtration, fish nutrition and genetic-breeding of unique Dragon Fish*

<b>\$'000</b>	<b>1Q2014</b>	<b>1Q2013</b>	<b>Change (%)</b>
<b>Revenue</b>	20,698	20,213	2.4
<b>Gross Profit</b>	6,202	6,108	1.5
<b>Net Profit</b>	115	62	85.5

*Period ended 31 March*

**SINGAPORE – 15 April 2014** – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today announced that its 1Q14 net profit attributable to shareholders surged 85.5% to \$115,000, boosted by the continued strong recovery in Dragon Fish sales and profit margin.

In the three months ended 31 March 2014, the Group posted revenue of \$20.7 million, which grew 2.4% year-on-year on the back of higher sales of Dragon Fish in its Northeast Asian markets, particularly China. Improved contributions from its subsidiaries in Indonesia, Malaysia and Thailand also helped to perk its Ornamental Fish revenue up 8.2% to \$9.1 million.

Its Accessories segment remained consistent in the current quarter, at \$8.9 million, due to a different sales mix, coupled with the Group's focus on selling its proprietary brand of higher-margin Accessories products.

Plastics business dipped 6% to \$2.7 million as a result of a revision in selling prices implemented in January 2014. However, Qian Hu expects demand to recover in subsequent quarters.

### Operating Profit

\$'000	1Q2014	1Q2013	Change (%)
<b>Ornamental Fish</b>	304	121	151.2
<b>Accessories</b>	438	418	4.8
<b>Plastics</b>	133	232	(42.7)
<b>Unallocated Corporate Expenses</b>	(543)	(612)	11.3
	<b>332</b>	<b>159</b>	<b>108.8</b>

Period ended 31 March

#### *Ornamental Fish*

Operating profit from Ornamental Fish surged by 151.2% to \$304,000, boosted by the stabilisation of Dragon Fish prices that yielded strong margins. The Group expects to see a steady growth in its Ornamental Fish revenue and profitability in the coming quarters.

#### *Accessories*

Despite stable revenue contributions, the Group's Accessories segment posted an improvement of 4.8% in operating profit to \$438,000 as a result of its focus on capturing more market share through its proprietary brand of innovative products which yielded better margins, and a different sales mix.

#### *Plastics*

The Group's Plastics segment was impacted by higher raw material prices, a gradual increase in operational costs, and lower revenue contribution as a result of the selling price revision in January 2014. It posted a 42.7% decline in operating profit to \$133,000.

## **Per Share Data**

Based on the Group's latest results, Qian Hu achieved earnings per share on a fully diluted basis of 0.03 Singapore cents in the first quarter, and net asset value per share of 11.24 Singapore cents as at 31 March 2014.

**Kenny Yap, Qian Hu's Executive Chairman and Managing Director**, said: "While we are pleased with the continued strong showing of our Ornamental Fish business, we are even more excited about the transformation of Qian Hu into a next-generation, high-technology operation which will bring about new growth dynamics in both our Ornamental Fish and Accessories businesses.

Already, we have an exciting pipeline of innovative, proprietary Accessories and Fish Nutrition products. We believe that these initiatives, together with our leading-edge Dragon Fish research, will enable Qian Hu to be more resilient and sustainable in the long term. Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable in FY2014."

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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.*

*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.*