



PRESS RELEASE

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Qian Hu posts stronger showing in 1Q2013 with net profit of \$62,000

- *Compared to the previous loss-making 4Q2012, the Group achieved stronger revenue growth for its Ornamental Fish and Plastics segments, while Accessories dipped slightly due to a difference in sales mix.*
- *Expects selling prices of Dragon Fish to stabilise by the middle of the year, and sales and profit of Ornamental Fish to grow steadily by year's end.*

\$'000	1Q2013 ended 31/3/13	1Q2012 ended 31/3/12	Change (%)
Revenue	20,213	20,574	(1.8)
Gross Profit	6,108	6,781	(9.9)
Profit Before Tax	159	592	(73.1)
Net Profit Attributable to Shareholders	62	523	(88.1)

SINGAPORE – 15 April 2013 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) announced today that it posted \$62,000 in first quarter net profit attributable to shareholders for the three months ended 31 March 2013, reversing a net loss of \$49,000 in the previous 4Q2012.

This was achieved despite a marginal dip in Group revenue to \$20.2 million.

On a segmental basis year-on-year, sales of the Group’s Ornamental Fish decreased by 12.7% to \$8.4 million due to the continued impact of the oversupply of Dragon Fish in Malaysia on average selling prices. In response, Qian Hu has since disposed of its Malaysian subsidiary

Kim Kang. Thanks to its enhanced marketing efforts in North Asian markets, particularly China, the Group had managed to sell, since the second half of FY2012, higher quantities of Dragon Fish in these markets where Dragon Fish continued to experience robust demand due to the Group's strong market share, expanding distribution network and growing brand equity.

In addition, increased revenue contribution from the Group's newly set-up Indonesian subsidiary, along with increased exports to more customers and countries around the world, helped to mitigate the impact from the Dragon Fish situation in Malaysia.

Its Accessories business, however, achieved creditable results in the first quarter, rising 11.3% to \$8.9 million, as it continued to explore more untapped markets with good growth potential.

Revenue from its plastics business remained steady, posting sales of \$2.8 million in the latest three months.

Comparing with previous 4Q2012

On a quarter-on-quarter basis, Qian Hu achieved an encouraging 7.9% increase in Ornamental Fish sales, from \$7.8 million in 4Q2012 to \$8.4 million in 1Q2013, boosted by the continued strong performance in North Asia.

Accessories, however, declined by a marginal 3% to \$8.9 million, due to a difference in sales mix.

Plastics remained stable, rising 1.5% to \$2.8 million.

Operating Profit

Ornamental Fish

In line with lower revenue achieved in 1Q2013, the operating profit from Ornamental Fish segment slid 73.1% to \$121,000 due to lower margins of Dragon Fish arising from the oversupply situation in Malaysia. Prices are expected to stabilise toward the end of the first half of FY2013. With robust demand from North Asia, the Group envisages that there would be a steady growth in both the sales and profitability of its Ornamental Fish segment in the second half of FY2013.

Accessories

Despite higher revenue contribution in 1Q2013, the Group's Accessories segment recorded lower profitability, declining 14.2% year-on-year to \$418,000 due to a different sales mix affected profit margin in this segment. However, when compared to the earlier 4Q2012, Accessories made a 11.5% improvement in operating profit, thanks to its focus on proprietary brands with innovative products which yielded higher margins.

Plastics

Revenue and operating profit from Plastics remained stable at \$2.8 million and approximately \$0.2 million, respectively, both on a year-on-year and quarter-on-quarter basis.

Per Share Data

Based on the Group's latest first quarter results, Qian Hu achieved earnings per share on a fully diluted basis of 0.01 Singapore cents and net assets value per share of 11.98 Singapore cents as at 31 March 2013.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "By comparing our 4Q2012 performance with the latest 1Q2013 results, we can conclude that both our Ornamental Fish and Accessories businesses are growing well despite the challenges ahead. This proves that our business model is robust, and the business diversity is working well for us. Moving forward, we will be even more aggressive in strengthening our fundamentals and financial position, while focusing on generating cash."

As at 31 March 2013, the Group's cash and cash equivalents stood at \$8.7 million.

Barring any unforeseen circumstances, the Group expects to grow its revenue and be profitable in the current financial year.

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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.