



PRESS RELEASE

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Qian Hu achieves 2Q net profit of \$83,000

- *The Group continues to see improvement in Ornamental Fish's revenue and profitability quarter-on-quarter.*
- *Robust demand for Dragon Fish in Northeast Asian markets, and contributions from new subsidiary in Indonesia, continues to drive growth.*

\$'000	2Q2013	2Q2012	Change (%)	1H2013	1H2012	Change (%)
Revenue	21,199	22,354	(5.2)	41,412	42,928	(3.5)
Gross Profit	5,896	6,919	(14.8)	12,004	13,700	(12.4)
Net Profit	83	532	(84.4)	145	1,055	(86.3)

Period ended 30 June

SINGAPORE – 15 July 2013 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported that it achieved a net profit attributable to shareholders of \$83,000 in the second quarter ended 30 June 2013, on the back of Group revenue amounting to \$21.2 million.

Impact from the disposal of Kim Kang Aquaculture in Malaysia, coupled with the decline in of Dragon Fish prices, continued to affect the Group's 2Q2013 Ornamental Fish revenue, which decreased 11.6% to \$8.8 million. However, the Group managed to generate higher sales volume in their key Northeast Asian markets, particularly China.

Compared with the previous quarter, the sales of Ornamental Fish grew by a healthy 5.0%, from \$8.4 million in 1Q2013 to \$8.8 million in 2Q2013. China continues to be a very important market for Qian Hu where the Group enjoys robust market share, expanding

distribution network and strong 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 other core business segment – Accessories – saw an 8.4% decline in revenue, from \$9.5 million in 2Q2012 to \$8.7 million in 2Q2013, due to a one-off surge in orders from a major customer in the year-ago period. In addition, there was a delay in the delivery of new accessories products from its suppliers in China which pushed new product roll-out to the third quarter of FY2013.

Revenue from its plastics business grew 28.3% to \$3.7 million as a result of a larger customer base, and an expanded product portfolio.

Operating Profit

\$'000	2Q2013	2Q2012	Change (%)	2Q2103	1Q2013	Change (%)
Ornamental Fish	226	324	(30.2)	226	121	86.8
Accessories	364	596	(38.9)	364	418	(12.9)
Plastics	168	220	(23.6)	168	232	(27.6)

Period ended 30 June

Ornamental Fish

In line with lower revenue achieved in 2Q2013, the operating profit from the Ornamental Fish segment slid 30.2% to \$226,000. However, when compared to the preceding 1Q2013, this was a whopping 86.8% jump in operating profit, thanks to the robust demand for Dragon Fish in Northeast Asia and the overall improvement in its export business.

Moving ahead, the Group observed that Dragon Fish prices have stabilised, and expects revenue and profitability to recover steadily in the second half of FY2013.

Accessories

The Group's Accessories segment saw a 38.9% dip in operating profit in the second quarter to \$364,000 due to a different sales mix and a delay in the launch of new proprietary products.

Plastics

Operating profit from Plastics declined 23.6% to \$168,000 as a result of higher raw materials as well as higher operational and market expansion costs.

Per Share Data

Based on the Group's latest second quarter results, Qian Hu achieved earnings per share on a fully diluted basis of 0.02 Singapore cents and net assets value per share of 11.77 Singapore cents as at 30 June 2013.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "We are pleased to see improvement in our Ornamental Fish results quarter-on-quarter, and expect this to grow further into the second half of FY2013. We are confident that we will be able to make up for the unexpected delay in the roll-out of our new accessories products in the second half as well."

"The diversity of our business model helps Qian Hu to be robust and nimble. We will continue to strengthen our fundamentals and financials aggressively while boosting our cash-generating capabilities," he added.

As at 30 June 2013, the Group's cash and cash equivalents stood at \$8.7 million.

Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable for the rest of FY2013.

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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.