



PRESS RELEASE

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Qian Hu achieves \$79,000 in 3Q14 net profit

- Group revenue was flat at \$20.5 million due to lower demand of Dragon Fish in China during the hot summer months despite sales of Accessories rising 3.3%.
- Compared to the previous 2Q14, Plastics grew 4.6% q-on-q as demand resumed after a temporary hiatus.
- Continues 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.

\$'000	3Q2014	3Q2013	Change (%)	9M2014	9M2013	Change (%)
Revenue	20,461	20,495	(0.2)	62,228	61,907	0.5
Gross Profit	5,904	6,206	(4.9)	18,405	18,210	1.1
Net Profit	79	88	(10.2)	216	233	(7.3)

Period ended 30 September

SINGAPORE – 15 October 2014 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) announced today that it posted a net profit attributable to shareholders of \$79,000 in the third quarter ended 30 September 2014.

Revenue By Segments

\$'000	3Q2014	3Q2013	Change (%)	9M2014	9M2013	Change (%)
Ornamental Fish	8,351	8,613	(3.0)	26,661	25,891	3.0
Accessories	9,456	9,157	3.3	27,706	26,797	3.4
Plastics	2,654	2,725	(2.6)	7,861	9,219	(14.7)

Period ended 30 September

The Group's revenue of \$20.5 million, which was flat year-on-year, was mainly due to lower demand of Dragon Fish in China during the sweltering summer months, resulting in third-quarter Ornamental Fish sales sliding 3.0% to \$8.4 million.

Its Accessories segment, however, posted revenue growth of 3.3% to \$9.5 million, thanks to strong export orders, a different sales mix and continued strong support for its proprietary brands of innovative products.

Revenue from its plastics business remained relatively stable, dipping marginally by 2.6% to \$2.7 million. However, the third-quarter performance of this segment improved against the preceding second quarter by 4.6% as market demand resumed after lower sales were reported as a result of higher selling prices introduced in January 2014.

Operating Profit By Segments

\$'000	3Q2014	3Q2013	Change (%)	9M2014	9M2013	Change (%)
Ornamental Fish	261	263	(0.8)	804	610	31.8
Accessories	424	394	7.6	1,244	1,176	5.8
Plastics	97	149	(34.9)	311	549	(43.4)
Unallocated Corporate Expenses	(539)	(534)	(0.9)	(1,619)	(1,654)	2.1

Period ended 30 September

Ornamental Fish

The flat growth in 3Q14 operating profit from the Ornamental Fish segment, despite reduction in its revenue, was largely due to a difference in sales mix, coupled with the improved profit margins from Dragon Fish following the stabilisation of its selling prices. On a 9-month basis, the operating profit from this segment surged 31.8% to \$804,000.

Accessories

The Group's Accessories segment saw a 7.6% improvement in 3Q14 operating profit due to a different sales mix and ongoing efforts to capture more sales which affected the profit margin of the Accessories business despite sales rising 3.3% in the latest quarter.

Plastics

Despite a stable revenue contribution in 3Q14, the profitability of the Group's Plastics segment was affected by higher resins prices and the gradual increase in overall operational costs.

Per Share Data

Based on the Group's latest third quarter results, Qian Hu achieved earnings per share on a fully diluted basis of 0.02 Singapore cents and net asset value per share of 11.20 Singapore cents as at 30 September 2014.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "The performance of our core business segments of Ornamental Fish and Accessories continue to be within our expectation. The fiscal third quarter is usually a relatively low season for our ornamental fish export business as people in Europe typically take their vacations during the summer months. In China, our customers were reluctant to hold more Dragon Fish inventory because of the severe hot climate this summer. We envisage that the Group should see a sustainable growth in its ornamental fish business in the quarters ahead."

Moving on, the Group remains focused on the transformation of Qian Hu into a next-generation ornamental fish company powered by its relentless efforts to churn out exciting new accessories products and boosting efficiency and productivity with advanced technology. It expects to launch a few more revolutionary products that will woo both Asian and international buyers at the hugely popular China International Pet Show to be held in Beijing in November this year.

"Our business model remains robust and the diversity of our business has put us in good standing. We will be more aggressive in the strengthening of our fundamentals and financial position as well as in enhancing our ability to generate cash. Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable in FY2014," Kenny said.

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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.