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Mr Yap: *'Barring any unforeseen circumstances, we expect our group to remain profitable in the fourth quarter.'*

Qian Hu blames strong S$, EU crisis for weaker sales

By **DOLLY CHIA**

QIAN Hu Corporation's third-quarter net profit plunged by more than half amid slower sales.

The integrated ornamental fish service provider yesterday reported a 52.7 per cent year-on-year fall in net profit to $574,000 for the three months ended Sept 30, 2011, as revenue dropped 6.2 per cent to $21.5 million.

Qian Hu said the stronger Singapore dollar affected exports. Demand for ornamental fish and accessories was also weaker because of the economic volatility in Europe.

Revenue from its ornamental fish and accessories segments both declined 5.7 per cent to $10.7 million and $8.2 million respectively. The group saw healthy revenue from the sale of self-bred Dragon Fish in Singapore and overseas markets.

The group's plastics segment recorded lower sales to the semiconductor and electronics sectors which were similarly affected by eurozone woes. This segment posted sales of $2.7 million, down 9.6 per cent.

Qian Hu posted Q3 earnings per share of 0.13 cent, down from 0.27. Net asset value per share was 15.99 cents at end-September this year.

For the first nine months this year, Qian Hu's revenue rose 0.1 per cent to $69.0 million, with a net profit of $2.6 million. The group's overseas revenue rose by 1.6 per cent despite its 2.9 per cent fall in revenue from Singapore.

"Moving ahead, we are focused on building a resilient balance sheet, generating and maintaining a strong cash flow from our operations and reducing our bank borrowings," said Kenny Yap, Qian Hu's managing director. "Barring any unforeseen circumstances, we expect our group to remain profitable in the fourth quarter."

Qian Hu shares closed 0.4 cent up yesterday at 8.7 cents.