

Qian Hu Q3 net profit up 9.8%

By **TEH SHI NING**

QIAN Hu's third-quarter net profit rose 9.8 per cent to \$1.7 million, from \$1.5 million a year ago. Revenue rose 1.1 per cent to \$23.9 million for the quarter that ended Sept 30, from \$23.6 million last year, the company said yesterday.

The increase was boosted by efforts to increase its products' reach to customers and markets worldwide, Qian Hu said. The company, which farms and breeds ornamental fish for distribution and trading, also manufactures and sells aquarium and pet accessories, as well as plastic bags.

Earnings per share came to 0.4 of a cent for the quarter, up from 0.37-cent

for Q308. The group's net asset value as at Sept 30 was 15.94 cents, up from 15.11 cents at the end of December 2008.

Qian Hu said that during the quarter, new breeding facilities at its Malaysian farm secured a more reliable supply of Dragon Fish, thus leading to the 4.8 per cent jump in the ornamental fish segment's third-quarter operating profit to \$2.1 million.

Accessories sales also grew from the low base last year caused by a production delay in its Guangzhou plant.

But operating profit for the segment declined close to 20 per cent due to the lower profit margin of prod-

ucts from that Guangzhou factory.

As for the plastics manufacturing business, which the company considers its "cash cow", revenue dipped as lower input costs meant lower prices, but a higher profit margin still led to a 30 per cent increase in operating profit.

For the nine months to Sept 30, Qian Hu's net profit rose 10.2 per cent to \$4.7 million, on a marginal 0.8 per cent increase in revenue to \$70.7 million.

Managing director Kenny Yap said: "Even though our gross margin for the nine months dipped a little, we still managed to improve our net margin through stringent cost man-



Mr Yap: Qian Hu improved its net margin through stringent cost management

agement."

The company's growth momentum will arise from "developing untapped overseas markets, and in expanding distribution reach in existing markets", he added.

Yesterday, Qian Hu's shares closed one cent up at 17 cents each.