Expanding into a regional, integrated pets company

- A growth company going through transformations
- Investing in the future

Our Big Hairy Audacious Goal (BHAG):
- To be the world’s No 1 ornamental fish exporter
- To expand Qian Hu – The Pet Family throughout Asia
- To be the most profitable Dragon Fish breeder through continual R&D
Growing The Export Business
Joint Venture in Indonesia

- In Indonesia, upper-income customers drive sales of fish and pet care products.
- Fish is multi-billion business (Rupiah!)
- Our 55% stake in PT Qian Hu Aquarium & Pets Indonesia provides access into this huge market.
- First chain store: Bandung (August 2004)
Expanding into the Retail Chain Store Business
Why Retail Chain Stores?

- Accessories business faces keen competition and continued consolidation in Singapore and Malaysia.
- Move away from owning the business to owning the customers.
- Essential to enhance our market position.
- Professionalise a highly fragmented business and to mass market a niche industry.
- Foods and accessories for dogs and cats is big business, compared to fish accessories alone!
Leveraging on Qian Hu brand

- Offering a whole spectrum for products & services for pet-keeping:
- Ornamental fish and related aquarium accessories
- Foods & accessories for dogs and cats
**Qian Hu – The Pet Family**

**Stores Opened To Date:**
- Shanghai: 2 stores
- Nanjing: 1 store
- Guangzhou: 1 store
- At least 6-7 more stores in Beijing, KL, JB, Bangkok & Bandung

**Gestation period:** 1-2 years

**Higher pre-operational expenses and initial operating losses**

**TARGET:** OVER 100 STORES IN 5 YEARS!
Unaudited 1H 2004 Results
# Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>1H04 (S$m)</th>
<th>1H03 (S$m)</th>
<th>Growth (%)</th>
<th>2Q04 (S$m)</th>
<th>2Q03 (S$m)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>34.3</td>
<td>33.2</td>
<td>3.2</td>
<td>18.0</td>
<td>17.3</td>
<td>4.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4.7</td>
<td>5.0</td>
<td>(6.3)</td>
<td>2.6</td>
<td>2.9</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Profit after tax before EI</td>
<td>2.2</td>
<td>3.3</td>
<td>(33.5)</td>
<td>0.9</td>
<td>1.9</td>
<td>(50.1)</td>
</tr>
<tr>
<td>Earnings per share (fully diluted)</td>
<td>1.69 cents</td>
<td>2.60 cents</td>
<td>-</td>
<td>0.76 cents</td>
<td>1.55 cents</td>
<td>-</td>
</tr>
<tr>
<td>Return on equity</td>
<td>5.6%</td>
<td>10.8%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt-to-Equity Ratio</td>
<td>0.49</td>
<td>0.44</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Assets backing per share</td>
<td>34.03 cents</td>
<td>29.7 cents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>
Turnover By Activities
6 months ended 30 June

1H2003

- Plastics: 10%
- Fish: 39%
- Accessories: 51%

1H2004

- Plastics: 10%
- Fish: 48%
- Accessories: 42%
Turnover By Regions
6 months ended 30 June

1H2003

Singapore 48%
Overseas 52%

1H2004

Singapore 33%
67% Overseas
Profit By Activities
6 months ended 30 June

**1H2003**
- Accessories: 56%
- Fish: 40%
- Plastics: 4%

**1H2004**
- Fish: 70%
- Accessories: 26%
- Plastics: 4%
Profit By Regions
6 months ended 30 June

1H2003

Overseas 50%
Singapore 50%

1H2004

Overseas 70%

30% Singapore
Comparing Q2’04 vs Q2’03

<table>
<thead>
<tr>
<th></th>
<th>Q2/2004 (S$m)</th>
<th>Q2/2003 (S$m)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>18.0</td>
<td>17.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Net Profit</td>
<td>1.0</td>
<td>1.9</td>
<td>(50.1)</td>
</tr>
<tr>
<td></td>
<td>30/6/04 (S$m)</td>
<td>31/12/03 (S$m)</td>
<td></td>
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<td>----------------------</td>
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</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>62.6</td>
<td>57.2</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>19.0</td>
<td>16.5</td>
<td></td>
</tr>
<tr>
<td><strong>Total Shareholders’ Funds</strong></td>
<td>43.6</td>
<td>40.7</td>
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## Cash Flow Statement

<table>
<thead>
<tr>
<th>Activity</th>
<th>1H2004 (S$m)</th>
<th>1H2003 (S$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used in operating activities</td>
<td>(0.6)</td>
<td>-</td>
</tr>
<tr>
<td>Cash used in investing activities</td>
<td>(1.7)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Cash generated from (used in) financing activities</td>
<td>2.3</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and equivalents</td>
<td>-</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Cash and cash equivalent at end of period</td>
<td>4.2</td>
<td>6.1</td>
</tr>
</tbody>
</table>
## Inventory & Trade Debtors Turnover

<table>
<thead>
<tr>
<th></th>
<th>30/6/04</th>
<th>31/12/03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inventory Turnover</strong></td>
<td>140 days</td>
<td>125 days</td>
</tr>
<tr>
<td><strong>Trade Debtors Turnover</strong></td>
<td>70 days</td>
<td>69 days</td>
</tr>
</tbody>
</table>
Going Forward

- Export to more customers and countries
- Breed Dragon Fish more productively
- Experiment and operate chain stores in Asia