



QIAN HU CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. : 199806124N)

**JOINT VENTURE AGREEMENT AND
THE PROPOSED INCORPORATION OF A JOINT VENTURE COMPANY**

The Board of Directors of Qian Hu Corporation Limited ("**Qian Hu**") is pleased to announce that it has on 20 April 2009 entered into a joint venture agreement ("**Agreement**") with Messrs Star Agencies ("**Star Agencies**") (collectively, the "**Parties**"). Pursuant to the Agreement, the Parties intend to jointly undertake business in the fields of fish food, aquarium tanks and its accessories and other business objects as set out in the Agreement (the "**Business**") through a joint venture company ("**JV Company**") to be set up in India.

Pursuant to the Agreement, the Parties have agreed to set up the JV Company with an initial paid-up share capital of Indian Rupees 26,400,000 (equivalent to approximately S\$800,000/-) divided into 2,640,000 shares ("**Shares**").

The Parties have agreed, subject to the fulfilment of the conditions precedent set out in the Agreement, to respectively subscribe to the Shares by the completion date as follows:

- (a) Star Agencies shall subscribe for Shares which is equivalent to 50 % of the total paid-up capital for a total subscription price of Indian Rupees 13,200,000 by way of transfer of assets, movable and immovable, held by it and used and generated by it for conducting the Business; and
- (b) Qian Hu shall subscribe for Shares which is equivalent to 50% of the total paid-up capital for a total subscription price of Indian Rupees 13,200,000 (equivalent to approximately S\$400,000/-) in cash.

The above transaction, which will be funded by both internal funds and external borrowings, is not expected to have any material impact on the earnings per share and the net tangible assets per share of Qian Hu for the current financial year ending 31 December 2009.

None of the directors and substantial shareholders of Qian Hu has any direct or indirect interest in the aforesaid joint venture.

By Order of the Board

Kenny Yap Kim Lee
Executive Chairman and Managing Director
20 April 2009