



PRESS RELEASE

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Qian Hu's FY09 net profit up 8.3% to \$6.5 million; dividend jumps 150% to 0.5 cents per share

- *The Group continues to generate strong cash flow – net cash up 47% to \$9.8 million*
- *Signs exclusive licence agreement to jointly develop world's first aquarium filter that improves water quality as much as 50%*

S\$'000	FY09 ended 31/12/09	FY08 ended 31/12/08	Growth (%)	4Q09 ended 31/12/09	4Q08 ended 31/12/08	Growth (%)
Revenue	94,611	93,062	↑ 1.7	23,867	22,859	↑ 4.4
Gross Profit	32,710	33,070	↓ 1.1	8,092	8,060	↑ 0.4
Net Profit	6,544	6,043	↑ 8.3	1,799	1,736	↑ 3.6

SINGAPORE – 11 January 2010 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** announced today that net profit attributable to shareholders for the full-year ended 31 December 2009 rose 8.3% to \$6.5 million.

This was achieved as Group revenue increased by 1.7% to \$94.6 million contributed by overall improvement in sales of its core ornamental fish, which grew by 2.8% to \$47.0 million, and accessories which increased by 3.9% to \$37.0 million. Sales from its plastics businesses declined 9.7% to \$10.6 million due to lower selling prices as a result of lower raw material prices.

4Q09 Performance

Ornamental Fish

In the latest fourth quarter, sales of the Group's Ornamental Fish grew 6.2% to \$11.1 million as sales of Dragon Fish continued to grow in tandem with other ornamental fish. Ornamental Fish's operating profit increased marginally by 3.9% to \$2.3 million, due to a different product mix despite self-bred Dragon Fish continuing to generate high profit margin.

Accessories

Accessories sales grew 2.9% to \$9.9 million as its distribution network continued to expand throughout the year. Along with improved sales performance and higher profit margin contribution, this business segment recorded a rise of 9.8% in operating profit to \$663,000 in the latest fourth quarter.

Plastics

Revenue from its Plastics Manufacturing business remained relatively consistent in the fourth quarter, rising 2.8% to \$2.9 million. Operating profit grew 30% to \$277,000 due to better yields as a result of cost-saving measures.

Per Share Data

Based on the Group's latest full-year results, its earnings per share on a fully diluted basis grew on a year-on-year basis from 1.36 Singapore cents to 1.48 Singapore cents, while net assets backing per share rose from 15.11 cents as at 31 December 2008 to 16.40 cents as at 31 December 2009.

Dividend

In the year just ended, the Group continued to generate strong operating cash flow which rose by 24.6% to \$12.2 million, contributing to net cash generated of \$9.8 million, an increase of 46.9% from a year ago. In view of Qian Hu's continued strong cash flow generation, the Directors declared a 150% jump in its first and final dividend to shareholders to 0.5 Singapore cents per ordinary share, which if approved by shareholders at our Annual General Meeting to be held on 16 March 2010, will be paid out on 12 April 2010. This is the highest absolute cash amount that the Group has ever declared.

From Mr Kenny Yap, Qian Hu's Executive Chairman and Managing Director

“Despite 2009 being a recession year, we still managed to set up our accessories manufacturing subsidiary in India, expanded our Singapore farm, reduced our debt, and at the same time, increased our cash flow. Our conscious effort in containing costs and increasing productivity helped the Group to grow profitability at a faster pace than revenue, in percentage terms.”

“Although the economy seems to have improved, we continue to be vigilant, and will continue to grow our revenue. We are looking out for investment opportunities in new markets such as Indonesia and Vietnam, where we intend to set up subsidiaries within the next four years. These investments are not expected to be significant, and will be funded from our operating cash flow. As such, we do not foresee any major capital expenditure going forward, and along with our consistency in generating cash from operating activities, Qian Hu will soon move towards becoming a debt-free company, and will be in a stronger position to declare dividends more liberally. In the longer term, we aim to be a high dividend yield company.”

“Barring unforeseen circumstances, we envisage continued growth in our revenue and profitability in 2010.”

New Product Development

Qian Hu today announced that it has signed a licensing agreement with Singapore-based Clean World Environment and Renewable Pte Ltd who jointly developed the revolutionary Hydro-Pure technology that is capable of enhancing the natural filtration processes in aquariums by as much as 50% when compared to conventional filtration systems.

“This energy-efficient Hydro-Pure technology is eco-friendly and truly the first of its kind in the world. It can also be applied to other areas in the ornamental fish industry as it promotes a natural, chemical free environment for all aquatic lives. We are aiming to produce a series of aquarium products that will revolutionise the ornamental fish industry. We expect that these new products will provide an added boost to the Group's accessories export business and propel Qian Hu to a whole new level in the global accessories market,” Kenny said.

Under the agreement, Clean World will be responsible to develop the internal design of the filtration system while Qian Hu will be responsible for the external design and commercialisation of the product.

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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 500 species 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.

Qian Hu (which means “Thousand Lakes” in Chinese), has received several awards from the Securities Investors Association of Singapore since 2001 for its commitment to corporate transparency. The Company also won a special mention in the Best Managed Board Awards from the Singapore Institute of Directors in 2003.

Over the years, the Group achieved a number of “firsts” in the ornamental fish industry:

- The first company in the ornamental fish industry in Singapore to be listed on the mainboard of the Singapore Exchange.*
- The first integrated ornamental fish service provider in Singapore, Malaysia and Thailand to be awarded the ISO 9002 certification for its quality management system.*
- The first in the ornamental fish industry to obtain ISO 14001 certification for its environmental management system.*
- One of the first ornamental fish operations in Singapore to have successfully bred the Dragon Fish and Arapaima for commercial sale.*
- The first SME to receive the Singapore Quality Award in 2004.*
- First SME to receive Singapore Corporate Award for Best Managed Board in 2008.*
- First Dragon fish breeder to engage in DNA research & development.*
- First SME to win four awards in the same year at the Singapore Corporate Awards under the small caps category. (Year 2009- Best Managed Board (Merit), Chief Financial Officer of the Year, Best Investor Relations (Bronze), and Best Annual Report (Gold)).*
- First SME to receive the Singapore Quality Award twice in year 2004 and 2009.*