



PRESS RELEASE

Contact Information:

August Consulting

Tel: 6733 8873 Fax: 6733 9913

Ho See Kim, seekim@august.com.sg

Zoe Tay, zoe@august.com.sg

Qian Hu's 3Q09 net profit rises 9.8% to \$1.7 million

- 3Q sales grew 1.1% to \$23.9 million as it expands reach to more customers in more countries
- Overall net profit margin up from 7.6% to 7.9%

S\$'000	3Q09 ended 30/9/09	3Q08 ended 30/9/08	Growth (%)	9 months ended 30/9/09	9 months ended 30/9/08	Growth (%)
Revenue	23,874	23,613	↑1.1	70,744	70,203	↑0.8
Gross Profit	8,218	8,285	↓0.8	24,618	25,010	↓1.6
Net Profit	1,683	1,533	↑9.8	4,745	4,307	↑10.2

SINGAPORE – 19 October 2009 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** announced today that its net profit attributable to shareholders for the third quarter ended 30 September 2009 rose 9.8% to \$1.7 million, on the back of a 1.1% increase in Group revenue to \$23.9 million, boosted by its continuous effort to increase its reach to more customers and countries around the world with its core products - Ornamental Fish and Accessories.

In the latest third quarter, sales of the Group's Ornamental Fish grew 1.5% to \$12.0 million after new breeding facilities were added at its Malaysia farm, thus securing a more reliable supply of Dragon Fish which helped to generate higher operating profits. The Ornamental Fish business posted a 4.8% jump in operating profit to \$2.1 million.

Accessories sales grew 6.9% to \$9.1 million due to continued expansion of its distribution network and lower revenue recorded in 3Q2008 as a result of a production delay by its Guangzhou plant. In spite of higher profit margin contribution from the export of Accessories products, the sale of Accessories products manufactured by its Guangzhou factory, which yielded lower profit margin, contributed toward its decline of 19.8% in operating profit to \$649,000.

Revenue from its Plastics Manufacturing business dipped 15.6% to \$2.7 million, as a result of lower selling prices in tandem with lower prices of plastic resins. However, the Group was able to command higher profit margin due to the implementation of costing-saving measures, and managed to drive third-quarter operating profit up by 30.3% to \$202,000.

9 months performance

In the nine months to 30 September 2009, the Group's revenue increased by 0.8% to \$70.7 million and net profit rose 10.2% to \$4.7 million. Net profit margin grew from 7.6% to 7.9%.

Per Share Data

Based on the Group's latest nine months results, its earnings per share on a fully diluted basis grew on a year-on-year basis from 0.97 Singapore cents to 1.07 cents, while net assets backing per share rose from 15.57 cents as at 30 June 2009 to 15.94 cents as at 30 September 2009.

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

"Revenue from overseas continues to lead our revenue growth in the first nine months, rising by 1.3% compared to the same period last year, and the trend is set to continue as Qian Hu derives its growth momentum from developing untapped overseas markets, and in expanding distribution reach in existing markets."

“We have been very focused on maintaining and enhancing our profit margins. Even though our gross margin for the nine months dipped a little, we still managed to improve our net margin through stringent cost management. In addition, we are actively reducing our debt-to-equity ratio and will continue to generate more cash to do so,” he added.

Business Prospects

Moving ahead, the Group expects continued growth in revenue and profitability for the rest of the current FY2009.

###

About Qian Hu Corporation Limited

Listed on the Singapore Exchange since 2000, Qian Hu is an integrated ornamental fish service provider – providing a spectrum of services involving distribution of well over 1000 species and varieties 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 numerous awards since 2001 for its unwavering commitment to corporate transparency, corporate governance, investor relations, people development and business excellence.

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.*
- *The first SME to receive the Best Managed Board Award in 2008.*
- *The first Dragon fish breeder to engage in DNA research & development.*