



PRESS RELEASE

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Qian Hu's 1H08 net profit grows 32.0% to \$2.8 million

- *First half revenue from all three core business grew 4.9% to \$46.6 million whilst revenue for 2Q08 rose 5.1% to \$23.6 million*

SS'000	2Q08 ended 30/6/08	2Q07 ended 30/6/07	Growth (%)	6 months ended 30/6/08	6 months ended 30/6/07	Growth (%)
Revenue	23,576	22,428	↑ 5.1	46,590	44,409	↑ 4.9
Gross Profit	8,312	8,160	↑ 1.9	16,725	15,623	↑ 7.1
Net Profit	1,508	1,155	↑ 30.6	2,774	2,102	↑ 32.0

SINGAPORE – 21 July 2008 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** today reported that its net profit attributable to shareholders for the first six months ended 30 June 2008 rose 32.0% to \$2.8 million.

This was achieved on the back of a 4.9% increase in Group revenue to \$46.6 million boosted by overall growth in all of its core business.

In the first half of FY2008, sales of its Ornamental Fish grew 5.2% to \$23.4 million due to strong demand for its inhouse-bred Dragon Fish from key markets of China, Taiwan and Japan. Its “Qian Hu” Dragon Fish has been established as a premium brand in

Northeast China. The Group, which currently exports to more than 75 countries worldwide, expects to expand its customer base across more than 80 countries in the next few years.

Leveraging on the Group's existing overseas distribution networks, its Accessories business similarly grew 4.9% to \$17.5 million, with increased sales in its subsidiaries in Malaysia, Thailand and China.

Revenue from its Plastics Manufacturing business registered a steady increase to \$5.7 million, a 4.0% increase from the previous year, by selling more varieties of plastic products to a larger customer base and increasing its export business.

On a geographical basis, revenue from overseas grew 9.6% through the Group's continued efforts to expand its distribution network into overseas untapped markets. Overseas revenue now accounts for 72.7%, while revenue generated in Singapore accounts for the remaining 27.3%.

Margins

In the latest half-year results, the Group's gross profit margin increased slightly from 35.2% in 1H07 to 35.9% in 1H08, whilst net profit margin grew from 6.3% to 7.4%.

2Q08 Performance

In the latest second quarter alone, the Group's revenue rose 5.1% to \$23.6 million, generating net profit growth of 30.6% to \$1.5 million.

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

"In spite of the current economic climate, we are pleased to have achieved healthy growth, profitability and higher levels of efficiency in the first half of the year. Our ornamental fish business continued to contribute strongly to our Group's profitability, and we are particularly pleased with the heightened profitability of our Accessories business this quarter, due to our conscientious efforts to expand our distribution network."

The Group's Accessories business has become more export-oriented. In the latest second quarter, it managed to export its accessories products to new markets such as Russia, Turkey and Denmark.

“We are pleased that the export of our Accessories products is progressing well, and that our subsidiaries in Malaysia, Thailand and China are also registering progressive growth momentum in the sales and profit of our aquarium and pet accessories. It is our intention to grow our Accessories revenue to be equivalent to that of our Ornamental Fish business,” Kenny added.

To meet this aim, its factory in Guangzhou will enhance its production efficiency and strengthen its research and development capabilities to meet the increasing orders for its manufactured products.

PER SHARE DATA

Based on the Group's latest half-year results, its earnings per share on a fully diluted basis grew on a year-on-year basis from 0.52 Singapore cents to 0.62 cents, while net assets backing per share rose from 13.51 cents as at 31 December 2007 to 14.81 cents as at 30 June 2008.

PROSPECTS

Moving forward, the Directors expect the Group's revenue and profit to continue to rise in the current FY2008, boosted by the increase in revenue from its ornamental fish operations, improvement in its accessories export business and positive contributions from the Group's overseas operations in Malaysia, Thailand and China.

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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 1000 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; and*
- The first SME to receive the Singapore Quality Award in 2004.*
- First SME to receive Singapore Corporate Award for best managed board in 2008*