



PRESS RELEASE

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Qian Hu makes a splash in 1Q07 – Net profit jumps 81.4% to \$947,000

S\$'000	1Q07 ended 31/3/07	1Q06 ended 31/3/06	Growth (%)
Revenue	21,981	18,139	↑ 21.2
Gross Profit	7,463	6,323	↑ 18.0
Profit Before Tax	1,668	1,088	↑ 53.3
Net Profit	947	522	↑ 81.4

- *Strong PBT growth all round, led by Aquarium & Pet Accessories (up 120.7%), Ornamental Fish (up 33.3%), and Plastics (up 72.7%)*

SINGAPORE – 23 April 2007 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** reported today that its net profit attributable to shareholders for the first quarter of FY2007 surged 81.4% to \$947,000.

This was achieved on the back of a 21.2% rise in revenue to \$22.0 million, boosted by a 13.1% jump in **Ornamental Fish** sales to \$11.0 million due to increased Dragon Fish sales and higher ornamental fish exports; a 28.9% rise in **Aquarium & Pet Accessories** sales to \$8.2 million as a result of securing untapped export markets as well as increased manufacturing orders from its Guangzhou factory from new and existing OEM customers; and a 35.3% jump in **Plastics** revenue to \$2.8 million due to higher-value product mix and a bigger customer base.

In terms of profitability, Qian Hu's ornamental fish activities reported a 33.3% jump in pretax profit to \$1.8 million, in line with the better export performance and higher margins from the sale of Dragon Fish. Its aquarium & pet accessories business registered a whopping 120.7% surge in pretax profit to \$181,000 as a result of increasing export orders and the Group's continuous effort to improve margins and operational efficiency. In the first quarter of FY2007, operating profit of its plastics manufacturing business continued its upward quarter-to-quarter growth trend from, rising 72.7% to \$190,000.

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

"Our good first quarter results truly signals that Qian Hu is growing well in all of our business segments. Sales from Singapore grew 19.8% to \$6.7 million whilst sales from overseas increased by 21.8% to \$15.3 million. We expect this steady growth performance to continue for the rest of FY2007."

Per Share Data

Based on the Group's latest first quarter results, earnings per share on a fully diluted basis grew from 0.40 Singapore cents to 0.73 cents, while net assets backing per share rose from 37.92 cents to 38.94 cents.

Group Prospects for FY2007

Going forward, Qian Hu intends to:

1. Increase its export of ornamental fish and aquarium accessories

- Expand domestic distribution in Singapore, Malaysia, Thailand and China as well as export more of its products to more countries
- Increase the export of Qian Hu's proprietary "Ocean Free" brand (*named the Number 1 aquarium accessories brand in Singapore by Euromonitor*). Currently, the Group's "Ocean Free" products are exported to Philippines, Brunei, Australia, New Zealand, Japan, Turkey, Germany, United Kingdom and the Netherlands.

2. *Continue growth of Dragon Fish sales*

- Continued demand for Dragon Fish in China, Taiwan and Japan is expected to boost sales. Qian Hu's Dragon Fish is increasingly regarded as a premium brand in Northeast China.
- Qian Hu's collaboration with Temasek Life Sciences Laboratory in researching the breeding behaviour of Dragon Fish has enabled the Group to increase its production and to meet future growth in demand.

3. *Expand the distribution network for pet accessories by leveraging on Qian Hu's house brands*

- Accelerate pace of distribution of pet accessories worldwide from Singapore as well as through overseas subsidiaries by leveraging on Qian Hu's house-brands such as "BARK" and "Nature's Gift" (accessories for dogs); "Aristocats YI HU" (accessories for cats) and "Delikate" (accessories for small animals such as hamsters and rabbits).
- The distribution of pet accessories is expected to grow to become a significant business activity of the Group in the future.

4. *Retail chain stores*

- As at 31 March 2007, Qian Hu owns and operates 12 "Qian Hu – The Pet Family" retail chain stores throughout the region.
- The Group plans to add more stores, particularly in Malaysia.
- In addition, the Group is increasing its distribution points in China for Dragon Fish and other accessories to more than 100.

5. *Enhance efficiency and ability in manufacturing aquarium & pet accessories*

- With rising demand for aquarium & pet accessories from the Group's distribution work in Singapore, Malaysia, Thailand and China as well as increasing orders for aquarium & pet accessories from the Group's suppliers and customers from various parts of the world, the Group expects to further enhance the production efficiency of its Guangzhou factory and hence, increase its revenue and profit contributions.

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 2004.

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.*