



~ Chairman's Message ~

Articulating

A Future Of Excellence

Qian Hu, in the next lap of its growth, is about expanding its distribution network in China and India; expanding its R&D initiatives to improve the know-how of the ornamental fish and accessories business; and building a more formidable work force that will continue to build an organisation, layer on layer, success upon success, that truly lasts for generations. The next few years will be about the Group's continued focus on investing in its people, in R&D, and in rewarding shareholders.

Dear Friends,

In 2010, Qian Hu celebrates ten fun years of being listed on the Singapore Exchange. As I reflect on the challenges that we faced, I would still say that the decision to list Qian Hu on the Singapore Exchange was one of the best decisions we have ever made.

The preparations for the IPO took about a year – we had to restructure and refocus our core businesses, hire a financial controller, and put together a professional board. Despite a somewhat volatile market then, we persisted to list on 8 November 2000, and have never looked back since. As a public company, we embraced our new responsibilities of being accountable to a new group of shareholders and the investing public, and remained steadfast in our quest to excel.

Over the last 10 years, the Group's revenue grew at a compounded annual growth rate of 9.2%. We had grown from an ornamental fish distribution business into an integrated service provider. Apart from being a world leader in ornamental fish export and distribution, the Group now has two accessories manufacturing plants in China and India, extensive Dragon Fish breeding facilities in Malaysia and Singapore, and major operations hubs in Singapore, Malaysia, Thailand, China and more recently, India.

The Next Lap – To be the world's number 1 ornamental fish exporter

Qian Hu will always focus on our core competencies as an integrated ornamental fish service provider. Though currently a small company in a niche industry, we are one of the leaders in the global ornamental fish industry. Our long-term goal is to double our global market share to 10% and increase our export markets to 100 countries, as we position ourselves to become the world's top ornamental fish exporter.

We hope to achieve this by exporting more Dragon Fish to China, India and Vietnam. In 2009, we have established a joint venture in Chennai, India which we hope will enable us to establish an extensive distribution network within and beyond the Subcontinent. With Indonesia potentially being the next big consumer market after China and India, we announce today an investment agreement with Joe Aquatic Indonesia, PT, an established distributor and exporter of ornamental fish, marine fish and aquatic plants in Indonesia. We are also casting our eyes for investment opportunities in Vietnam and plan to set up a subsidiary there within the next three years. We believe these efforts will generate higher sales of our Ornamental Fish moving forward.

Aquarium and Pet Accessories to account for 50% of total sales

Higher growth is also expected of our Accessories business as we always believe that for every one dollar a consumer spends on fish, he would spend five dollars on aquarium accessories. We expect Accessories to be equal in proportion of total sales with Ornamental Fish. We intend to grow our export of Accessories to as many countries as Ornamental Fish in the next few years.

Stepping up R&D

Though focused on our core expertise, we have to be flexible enough to change with market demands. To be the top global distributor of quality ornamental fish, Qian Hu will have to step up on its R&D efforts to produce more innovative and profitable Dragon Fish to reach new markets whilst expanding existing ones. We will also have to use our R&D capabilities to improve our ornamental fish packaging technology and quarantine skills to further differentiate ourselves from the other industry players. We will also explore the feasibility of pursuing high-end aquaculture, such as bio-secured farming of selected fish species, to enable us to mitigate and manage risks related to adverse weather conditions, and to ensure consistent supply of these fish species.

Widening network in China, India, Indonesia, Vietnam

Moving ahead, we intend to have the widest distribution network in two of the world's largest economies, right here in Asia – China and India. With more than 230 distribution points in China currently, our aim is to increase this network in the next few years, to perhaps more than 400 locations in various cities.

Our joint venture in Chennai, India which currently focuses on the manufacturing of aquarium accessories and fish foods, will eventually include the distribution of ornamental fish in various cities throughout India, essentially replicating what we have been doing in China. Apart from these two economic giants, we are also eyeing expansion opportunities in two more countries in Southeast Asia potentially, Indonesia and Vietnam within the next three years.

Qian Hu is, and will always be, an integrated ornamental fish service provider to global markets. Our sustainable strategy is to always focus on our core competencies. Though a small company in a niche industry, we are one of the leaders in the global ornamental fish market. By staying focused and relentlessly pursuing business excellence, Qian Hu will one day become a bigger company with even better long-term prospects.

Our long-term growth depends on our ability to change and adapt to the business environment. In 2004, we endured the painful process of restructuring and through it all, demonstrated our tenacity and resilience. Moving ahead, we will continue to build a knowledgeable workforce, differentiate through product, service and business innovation, with the aim of ultimately building an organisation that will last for generations.

To be a debt-free and high dividend payout company

In the years ahead, we will be focusing on growing the Company instead of expanding. There is a distinction between “growing” and “expanding”. “Expansion” requires investments and capital expenditure to grow the business, whereas “growth” may not necessarily require additional investments, but rather, it creates more value to shareholders with existing resources.

Even with our plans to invest in Indonesia and Vietnam, we do not expect to incur substantial amounts of capital expenditure or investments in the foreseeable future. Such investments should not be significant, and will be adequately funded using cash generated from the Group's operating activities.

As such, we will be in a better position to declare dividends more liberally. Our aim is to move towards becoming a debt-free company with high dividend payout.

Appreciation

We have much to be thankful for, and my heart is overwhelmed by the support of all of our shareholders, business partners and our staff for helping Qian Hu and Singapore maintain its premier status as the Ornamental Fish Capital of the World.

Here's wishing one and all a very healthy and wealthy 2011!

Kenny The Fish
Executive Chairman & Managing Director



～主席的话～

十分感激

“十十”在在迈向卓越的未来

迈入下一阶段增长的仟湖，将把重心放在扩展中国和印度的分销网络，加强研发活动以进一步提升观赏鱼与水族宠物器材业务的专业技能及知识，建立一支更为强大的团队，一步一脚印地让仟湖更茁壮的成长，好让将仟湖成功的故事得以世代传承下去。未来几年仟湖将会着重于员工的培育，研发和回馈支持我们的股东们。

各位朋友们好！

2010 年正是仟湖在新加坡交易所上市的十周年纪念。当我回顾这十年来所走过的路及面对过的挑战，我还是很肯定地说让仟湖在新交所挂牌上市是我们所做过最好的决定之一。

挂牌上市的准备功夫就花了我们大约一年的时间。我们必须大刀阔斧地重组公司，重新整顿我们的核心业务，聘请一名专业的财务总监，并且成立一支由专业人士组成的董事会。尽管当时的市场不是太稳定，我们要挂牌上市的决心一点也不曾动摇过。从 2000 年 11 月 8 日，仟湖正式上市的那一刻起，我们就义无反顾地一路走到现在。作为一家上市公司，我们开始肩负起全新的责任，我们必须对加入我们这个大家庭的新股东们和广大投资者负责，也要同一时间继续追求卓越。

这十年一路走来，仟湖的营业额以 9.2% 的年均复合增长率增长着。我们已经从一个观赏鱼分销商蜕变成一家观赏鱼综合服务供应商。除了领导观赏鱼出口和分销的市场以外，我们也在中国和印度拥有两家水族宠物器材制造厂，在马来西亚和新加坡设有完善的龙鱼繁殖设施，并在新加坡，马来西亚，泰国，中国和印度设有营运中心。

下一篇章 - “十”现成为世界第一的观赏鱼出口商的梦想

作为一家全能的综合观赏鱼供应商是仟湖的强项。这是我们一直以来的核心业务，也是我们未来发展的焦点。虽然我们只是一家处在一个较为特定领域的小公司，可是我们却是全球观赏鱼行业的领导者之一。我们为自己成为世界首屈一指的综合观赏鱼出口商设下了长远目标。其一就是要将我们的国际市场占有率提高一倍达百分之十，再来便是把我们的出口市场增至 100 个国家。

我们希望能够出口更多的龙鱼出口到中国、印度和越南以达成我们的目标。2009 年，我们与印度钦奈水族宠物器材经销商签署了合资计划，希望能够借此帮助我们开拓印度境内和周边地区的市场。印度尼西亚是下一个继中国和印度后将会崛起的庞大消费市场。因此，今天我们借此公布与印度尼西亚出口及分销海水鱼、观赏鱼和水生植物的 Joe Aquatic Indonesia, PT 签署投资协议在印度尼西亚设立子公司。不仅如此，我们也将越南寻找适当的投资机会，希望在三年内设立子公司。我们相信这几方面的发展将能够进一步推高我们观赏鱼的销售额。

水族宠物器材业务将占总营业额的百分之五十

我们的水族宠物器材业务预料将能够取得更好的增长。我们坚信当消费者每花费一元购买观赏鱼的同时，他将会花五元在水族宠物器材上。我们预计水族宠物器材的销售额将能够与观赏鱼的销售额媲美。因此，我们正努力逐步将我们水族宠物器材的商品在未来数年内出口到和观赏鱼一样多的国家。

加强研发

虽然专注于我们的强项是件好事，但是我们必须保持足够的灵活性方能顺应瞬息万变的市场需求。若想要成为顶端的国际观赏鱼分销商，仟湖就得要在研发作出更大努力来繁殖更多不同品种并且有高回报率的鱼龙来开拓新旧市场。另外，我们还必须使用我们的研发能力来改进我们的观赏鱼检疫的包装技术，以进一步地扩大我们与其它竞争者的区别。我们还将探索高端农业的可行性-例如，对一些品种采用生物防护等级养殖技术，让我们能够减低恶劣天气相关的风险以确保鱼种的持续供应。

扩展中国，印度，印度尼西亚，越南销售网络

展望未来，我们计划在全球两大经济体- 中国与印度，建立最广泛的分销网络。目前，我们在中国有超过230个分销网点，而我们计划在未来几年里将分销点在不同城市逐步增加达400多个。

我们在印度钦奈的合资公司将仿效我们在中国所采用的发展模式- 从水族宠物器材和宠物食品生产，逐步扩展业务将观赏鱼分销到印度的各个城市。除了这两个经济强国，我们也相当看好印尼和越南所蕴藏的潜能，并希望能在未来3年里实现扩展计划。

仟湖是一家拥有国际市场的综合观赏鱼供应商。现在是，未来更是如此。我们的持续性发展策略就是专注于我们的强项。虽然只是一家特定行业中的小公司，我们却能够成为全球观赏鱼市场的领导者之一。只要将定点集中加上不懈追求卓越表现的态度，仟湖将来一定会是一家拥有更好前景的大公司。

我们的长期增长将取决于我们是否有能力去改变，以适应变化莫测的商业环境。在2004年里，我们在经历痛苦的修枝过程，清楚的表明了我们必须拥有坚韧的毅力。展望未来，我们将继续建立一支有专业知识的团队，通过多元化的产品，高品质的服务和不断的求新以达到我们最终的目的- 建立一个能够世代相传的企业。

成为一家零债务和派发高股息的公司

接下来几年，我们将把注意力从扩展公司的业务转移到公司的增长上。其实“增长”与“扩展”这两者之间有很大的不同。所谓的“扩展”是一项透过投资和资本支出来发展和增加业务。相反地“增长”并不表示一定需要额外的资金而是在现有的资源里为股东们提高价值。

即使我们计划在印度尼西亚和越南进行投资活动，但我们不认为这些投资计划将会涉及大量的资金。像这类型的投资计划将不会对我们的营运有任何重大的影响因为我们现有的现金额将有能力应付。

同样地，我们将能够宣布更高额的股息来回报支持我们的股东们。我们的目标就是要成为一家派发高股息的零债务公司。

十分感谢

我们要感谢的人有很多很多。对于一直帮助与支持仟湖的股东、合作伙伴和员工们，使得我们能够继续为新加坡能享有世界级观赏鱼中心的地位作出贡献，我除了感激还是感激。谢谢大家！

愿迈向更丰收的一年！

叶金利
执行主席兼总裁