



PRESS RELEASE

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Qian Hu's 1Q09 net profit up 10.5% to \$1.4 million; swims to India for JV with Chennai accessories distributor

- *The Group invests S\$400,000 for a 50% stake in Qian Hu Aquastar which plans to produce aquarium accessories and pet foods for distribution in India and export markets*

S\$'000	1Q09 ended 31/3/09	1Q08 ended 31/3/08	Growth (%)
Revenue	23,152	23,014	↑ 0.6%
Gross Profit	8,087	8,413	↓ 3.9%
Profit Before Tax	2,085	2,126	↓ 1.9%
Net Profit Attributable to Shareholders	1,399	1,266	↑ 10.5%

SINGAPORE – 20 April 2009 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported that its net profit attributable to shareholders for the first quarter ended 31 March 2009 rose 10.5% to approximately \$1.4 million on the back of a 0.6% rise in Group revenue to approximately \$23.2 million.

Underscoring the resilience of the Group's business model, Qian Hu reported a 1.8% increase in the sales of Ornamental Fish which was due to the resumption of a consistent supply of Dragon Fish, as well as increased export of fish to more customers and countries in the latest three months. Operating profit from Ornamental Fish, however, dipped 23.1% mainly due to lower sales from our self-bred Dragon Fish. The

consistent production of self-bred Dragon Fish only resumed in 1Q09 and would require between three to six months for the fry to grow into a marketable size.

Revenue from Accessories grew at a marginal pace, up 1.5% year-on-year as its Guangzhou factory reported additional sales and managed to deliver new products to its OEM customers since mid-October 2008. The increased operational efficiency of the factory, coupled with higher margins contributed by export sales, helped to lift its operating profit by 35.0%.

Whilst the Group's Plastics Manufacturing segment registered a 7.7% decline in first-quarter sales due to adjustments in selling prices in response to lower cost of plastic resins, its operating profit surged 135.4% after cost-saving measures were implemented.

Business Prospects in FY2009

In spite of the lingering global economic situation, Qian Hu still expects - barring unforeseen circumstances - continued growth in its revenue and profitability in FY2009.

Joint Venture in India

The Group also announced today the signing of a joint venture agreement with M/S Star Agencies ("Star Agencies"), a Chennai-based distributor of aquarium accessories.

With an initial paid-up capital of S\$800,000, the 50/50 joint venture company - Qian Hu Aquastar (India) Private Limited ("Qian Hu Aquastar")- will primarily focus in manufacturing, distribution and export of aquarium accessories such as fish food, tanks and lamps under Qian Hu's house brands, as well as other third party brands. It also has plans to engage in the import and export, as well as domestic distribution of ornamental fish in India, in the near future.

This joint venture company will be Qian Hu's second manufacturing facility for aquarium accessories. The Group currently has a manufacturing plant in Guangzhou that produces aquarium and pet accessories for domestic distribution and export to regional and international markets.

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

“We are really grateful that we have achieved a reasonable level of profitability in the first quarter of FY2009. This again underscores our resilience, and ability to swim in very rough economic climate.”

“All of our core businesses are growing well. However, I see the Accessories business as the engine of growth for the Group. We currently export aquarium and pet accessories to about 30 countries compared to a larger footprint of more than 80 countries for our Ornamental Fish business, so clearly there is a lot of room for growth in this business segment.”

Commenting on its latest joint venture in India, Kenny said: “India – the second largest consumer market in Asia after China, has been on the Group's radar screen for several years. Whilst its market is big, it also has a unique preference for certain types of products, which is why we decided that it would be efficient to build production capabilities in India to respond faster to market demand. We are really glad that we have finally identified a partner who shares the same vision and values as Qian Hu, who can grow the Indian market with us,” he added.

Founded in 1984, Star Agencies is today one of the largest supplier of aquarium accessories in India.

Commenting on the joint venture with Qian Hu, Mr Selvaraj, M/S Star Agencies's proprietor, said: “We are honoured to be selected by such a high-profile Singapore-listed company such as Qian Hu who has such a high standing in the global ornamental fish industry. Together, we believe that we will be able to grow the aquarium and pet accessories business in India and the surrounding region.”

“The Indian government is promoting fish farming as a viable, growing industry. In recent years, various government agencies have been set up to provide technical and financial assistance to fish farmers, whilst infrastructure and marketing facilities are being developed to give the ornamental fish industry a boost. Indeed, India is seen as a sleeping giant with vast untapped potential, and is set to soar given the right conditions,” Mr Selvaraj added.

Recently, Star Agencies saw the potential of the accessories production business and started commercial production of fish food under its own brand “Star Fish” in 2008 and this fish food factory forms part of the joint venture. Star Agencies hopes to tap Qian Hu’s expertise in manufacturing other aquarium accessories such as tanks and lamps. Qian Hu Aquastar will build additional factory space of 1000 square metres – which essentially doubles the existing floor space – and hopes to complete construction by October 2009. Commercial production of tanks and lamps is targeted for December 2009.

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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 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 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.*