



PRESS RELEASE

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Another strong quarter for Qian Hu - 2Q09 net profit up 10.3% to \$1.7 million

- *Strong performance reaffirms defensive business model*
- *Accessories continues to drive growth, as Group targets to add 10 new countries within the year*
- *Ornamental Fish export will focus on high growth regions of Middle East, Eastern Europe, China and India*

S\$'000	2Q09 ended 30/6/09	2Q08 ended 30/6/08	Growth (%)	6 months ended 30/6/09	6 months ended 30/6/08	Growth (%)
Revenue	23,718	23,576	↑ 0.6	46,870	46,590	↑ 0.6
Gross Profit	8,313	8,312	0.0	16,400	16,725	↓ 1.9
Net Profit	1,663	1,508	↑ 10.3	3,062	2,774	↑ 10.4

SINGAPORE – 20 July 2009 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** today reported yet another strong quarter in the three months ended 30 June 2009, with a 10.3% rise in net profit attributable to shareholders to \$1.7 million, which reaffirms the Group's defensive business model in the midst of global recession.

Net profit margin similarly improved by 0.8 percentage points to 8.6% in the latest second quarter, thanks to the Group's efforts in implementing cost-saving measures.

This was achieved despite a marginal 0.6% increase in the Group's revenue to \$23.7 million, contributed by continued growth in the sales of Dragon Fish and other ornamental fish, as well as higher export sales of aquarium and pet accessories.

Plastics sales, however, declined by 16.6% due to adjustments in the selling prices of its plastic products brought about by the significant reduction in the prices of resins which, being downstream petroleum by-products, were subject to price fluctuations in tandem with crude oil prices. In spite of this, the plastics entity registered higher operating profit in 2Q09, jumping 53.1% over 2Q08.

First Half Performance

The first half of FY2009 saw sales of Ornamental Fish rising by 2.0% to \$23.9 million, Accessories by 3.0% to \$18.0 million whilst Plastics dipped 12.5% to \$5.0 million. Net profit was up 10.4% to \$3.1 million.

In the latest six months, the Group's gross profit margin dipped slightly from 35.9% in 1H08 to 35.0% in 1H09, whilst net profit margin grew from 7.4% to 7.9%.

Per Share Data

The Group's earnings per share on a fully diluted basis grew on a year-on-year basis from 0.62 Singapore cents in 1H08 to 0.70 cents in 1H09, while net assets backing per share rose from 15.11 cents as at 31 December 2008 to 15.57 cents as at 30 June 2009.

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

“This is only the half time mark, and we are glad that we managed to score relatively well in really rough conditions! Much of our revenue growth has come from our overseas markets which grew 3.7% year-on-year. This trend is set to continue as Qian Hu derives its growth momentum from developing untapped overseas markets.”

Qian Hu is currently the region's biggest exporter of ornamental fish, capturing about 5% of global market share. This is set to grow as the Group expands its export distribution, particularly focusing on high-growth regions such as the Middle East, Eastern Europe, China and India.

“Our Accessories business is poised for even strong momentum of growth. Through our 20% stake in Arcadia, and the setting up of a marketing base in London, we aim to increase the visibility of the Qian Hu brand in the European continent and target to increase our export of aquarium and pet accessories to more than 40 countries within the year, up from the current 30 countries,” said Kenny.

Earlier, the Group formed a joint venture company in Chennai, India to focus on 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. The joint venture company, Qian Hu Aquasstar (India), is building a new manufacturing facility in Chennai - the Group's second after Guangzhou, China – and is set to commence commercial operation by 4Q09.

In the near future, the Group plans to engage in the import and export, as well as domestic distribution of ornamental fish in India. Similar to its vision for China, which will see more than 250 distribution points being added all over China in the next few years, Qian Hu aspires to have the widest distribution network in the Indian subcontinent.

Prospects

In spite of the lingering global economic situation, the Group envisages – barring any unforeseen circumstances – continued growth in its revenue and profitability in the second half of FY2009.

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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.*