

QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)

Minutes of the Fourth Annual General Meeting of the Company held at No. 71 Jalan Lekar, Singapore 698950 on Tuesday, 18 March 2003 at 11.00 a.m.

Present :

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| <p>1. Mr Kenny Yap Kim Lee
(i) Executive Chairman & Managing Director
(ii) Shareholder
(iii) Proxy for: -
- Credit Suisse (S) Nominees Pte Ltd
- Khoo Lay Keong Gavin
- Yap Ping Heng
- Yap Kim Chuan
- Yap Kim Choon
- Yap Hock Huat
- Gerard Charles Holland Oates</p> | <p>7. Mr Chiang Yew Kwong
Shareholder</p> <p>8. Ms Pae Bee Yong
Shareholder</p> <p>9. Ms Yap Saw Chin
Shareholder</p> |
| <p>2. Mr Alvin Yap Ah Seng (Director)
Shareholder</p> | <p>10. Ms Yap Ai Tin
Shareholder</p> |
| <p>3. Mr Andy Yap Ah Siong (Director)
Shareholder</p> | <p>11. Mr Liew Kit Ping
Shareholder</p> |
| <p>4. Mr Chang Weng Leong (Director)
Shareholder</p> | <p>12. Mr Low Eng Hua
Shareholder</p> |
| <p>5. Mr Tan Tow Ee (Director)
Shareholder</p> | <p>13. Mr Ong Hun Meng
Shareholder</p> |
| <p>6. Ms Lai Chin Yee (Company Secretary)
Shareholder</p> | |

In Attendance

1. Mr Steven Phan Swee Kim
Ernst & Young
2. Ms Tay Mui Na
Ernst & Young

The Chairman of the Board of Directors, Mr Yap Kim Lee Kenny chaired the meeting. Having noted that a quorum was present, the meeting was called to order.

Chairman thanked the shareholders and all those present for their attendance. The number of shareholders present this year was more than the previous two annual general meetings held since the Company's listing in 2000. He informed that the Company had included a letter to all shareholders along with the Annual Report 2002 to invite questions and feedback from shareholders who would not be able to attend the Annual General Meeting ("AGM") for some reasons or other. Shareholders could also channel their questions and feedback via a few methods, through online feedback at www.qianhu.com, by calling the automated voice mail number 6334 5268, by sending e-mail through investor@qianhu.com or by faxing to fax number 6766 3995.

Briefly, Chairman mentioned that an e-mail was received from a shareholder, Mr Choo Ah Tua who requested for a map to No 71 Jalan Lekar (Qian Hu Fish Farm), the AGM venue. A location map had been forwarded to Mr Choo. However it was noted that Mr Choo was not present at the meeting. Mr Choo further suggested whether future AGMs could be held at more convenient places, such as booking a conference room at a hotel. Chairman shared with the meeting that shareholders' attendances at the previous AGMs were not so good. The holding of AGMs at the fish farm was not only to save costs, as Qian Hu is a small company, but more importantly, was to give shareholders a chance to look at the operations of the Company. If shareholders' attendances improve at future AGMs and more shareholders request for the venue to be changed, the Company would seriously consider holding future AGMs at more convenient places, like hotels.

With the permission of the meeting, the notice convening the meeting was taken as read. Before proceeding to the first item of the agenda, Chairman informed the meeting that Mr Robson Lee Teck Leng, an Independent Director and the Chairman of the Audit Committee had sent his apologies that he was down with a flu and could not attend the AGM.

ORDINARY BUSINESS

1. Adoption of Reports and Financial Statements

Chairman informed the meeting that, Ms Diana Koh, a shareholder had posted the following question through Qian Hu website:

“Question

I am a shareholder of Qian Hu. I'd like to know what is the company's projected outlook for 2003, given there are so many uncertainties now. Is Qian Hu also concerned that its share price is languishing at around 66-69 cents?"

Chairman shared with the meeting his reply to Ms Koh. He said that the ornamental fish industry was quite recession proof. Despite the fact that there were uncertainties about the economy and especially the volatile geopolitical situation, he still believed Qian Hu would be able to continue to grow at double digit for year 2003 and beyond. The full business prospect remained the same as described in the Annual Report 2002.

He further said that the market sentiment was beyond the control of any management and thus short-term share price fluctuation was inevitable. What Management could do was to continue to grow the Company, build good fundamentals, create good corporate image, put in place good corporate governance, constantly upgrade the Group's systems, improve on the corporate structure and to be fair to all shareholders.

He added that one of the strengths of Qian Hu was its diversified markets and wide product ranges. The Group distributed over 5000 types of aquarium accessories and sold over 500 species and varieties of ornamental fish to more than 60 countries. Any fluctuation in any of these markets would not have a great impact on the Group as it was not reliant on any market or product. The meeting noted that countries which Qian Hu had its own distribution network included Singapore, Thailand, Malaysia and China.

Referring to the Company's recent proposed acquisition of 65% equity in Kim Kang Aquaculture Sdn Bhd, Malaysia, the purchase price of which was to be partially satisfied by the issue and allotment to the Vendors of 4,000,947 ordinary shares of S\$0.10 each in the Company at an issue price of S\$0.96 per Consideration Share, Chairman informed that Singapore Exchange had granted in-principle approval for the listing and quotation of 4,000,947 Consideration Shares on the Mainboard of the Singapore Exchange. The meeting noted that the completion of the said acquisition was pending legal and financial due diligence.

He invited further questions from shareholders. As there were no further questions, he requested shareholders to formally propose and second Ordinary Resolution No. 1:

“Resolved that the Audited Accounts for the financial year ended 31 December 2002 and the Reports of the Directors and Auditors thereon be hereby received and adopted.”

On the proposal of Mr Low Eng Hua and seconded by Ms Pae Bee Yong, Ordinary Resolution No. 1 was put to a vote. As there was no vote against, Chairman declared Ordinary Resolution No. 1 carried.

2 (i) Declaration of First and Final Dividend

Chairman informed the meeting that Mr Khoo Lay Keong Gavin, a shareholder, who had sent in his proxy form, appointing chairman of the meeting as his proxy, had included two comments in his proxy (please refer to Resolution No. 8 below for his other comment). One of them was: -

“Comment

Dividends insufficient. Gross dividend yield should be at least 3.5%. Nevertheless, congratulations to the management.”

In response to the above comment, Chairman said that he was not aware of the basis of 3.5% suggested by Mr Khoo. He said that unlike a matured company, the Company was still young and growing and cash was needed for expansion. On the other hand, the Company would like to reward its supportive shareholders. To achieve this, the management must strike a balance. He further said that setting a fixed percentage of dividend yield or a concrete dividend policy at present was somehow pre-mature; instead, the Company would establish a certain pattern of dividend payment in accordance with its profit growth.

Another message had been received from Ms Tan, a shareholder, via the automated voice mail system: -

“Comment

I like the voice mail system. Suggest payment of dividend to be made twice a year to reward long-term shareholders.”

In response to the above comment, Chairman said that in this fast changing environment, the management might not be able to declare a interim dividend in the middle of the year as such decision might hinder any investment opportunities that might arise in the second half of the year. For the time being, the Group preferred to reward shareholders with an annual dividend based on the performance of the Group that year.

He invited further questions from shareholders. As there were no further questions, he requested shareholders to formally propose and second Ordinary Resolution No. 2(i):

“Resolved that a first and final dividend of 6% per ordinary share less 22% Singapore income tax for the financial year ended 31 December 2002 be paid on 10 April 2003 to members registered in the books of the Company on 28 March 2003.”

On the proposal of Ms Yap Ai Tin and seconded by Ms Yap Saw Chin, Ordinary Resolution No. 2 (i) was put to a vote. As there was no vote against, Chairman declared Ordinary Resolution No. 2 (i) carried.

2(ii) Declaration of a Special Dividend

Chairman proceeded to the next item, the declaration of special dividend. He proposed Ordinary Resolution No. 2 (ii), which was seconded by Mr Ong Hun Meng:

“Resolved that a special dividend of 6% per ordinary share less 22% Singapore income tax for the financial year ended 31 December 2002 be paid on 10 April 2003 to members registered in the books of the Company on 28 March 2003.”

The Ordinary Resolution No. 2 (ii) was put to a vote. As there was no vote against, Chairman declared Ordinary Resolution No. 2 (ii) carried.

3. Re-election of Director

Chairman informed the meeting that Mr Tan Tow Ee, who was appointed as director on 1 May 2002, was to retire pursuant to Article 88 of the Company’s Articles of Association. Mr Tan Tow Ee had consented to offer himself for re-election.

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second ordinary resolution No. 3:

“Resolved that Mr Tan Tow Ee be hereby re-elected as a Director of the Company pursuant to Article 88 of the Company’s Articles of Association.”

On the proposal of Ms Yap Saw Chin and seconded by Ms Yap Ai Tin, Ordinary Resolution No. 3 was put to a vote. Mr Tan Tow Ee abstained from voting. As there was no vote against, Chairman declared Ordinary Resolution No. 3 carried.

4. Re-election of Directors

Chairman informed the meeting that Mr Robson Lee Teck Leng (re-appointed on 16 May 2001 pursuant to Article 88 of the Company's Articles of Association), who was to retire pursuant to Article 89 of the Company's Articles of Association had consented to offer himself for re-election.

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second Ordinary Resolution No. 4:

“Resolved that Mr Robson Lee Teck Leng be hereby re-elected as a Director of the Company pursuant to Article 89 of the Company's Articles of Association.”

On the proposal of Ms Pae Bee Yong and seconded by Mr Ong Hun Meng, Ordinary Resolution No. 4 was put to a vote. As there was no vote against, Chairman declared Ordinary Resolution No. 4 carried.

5. Re-election of Directors

Chairman informed the meeting that Mr Chang Weng Leong (re-appointed on 16 May 2001 pursuant to Article 88 of the Company's Articles of Association), who was to retire pursuant to Article 89 of the Company's Articles of Association had consented to offer himself for re-election.

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second Ordinary Resolution No. 5:

“Resolved that Mr Chang Weng Leong be hereby re-elected as a Director of the Company pursuant to Article 89 of the Company's Articles of Association.”

On the proposal of Ms Lai Chin Yee and seconded by Ms Yap Saw Chin, Ordinary Resolution No. 5 was put to a vote. Mr Chang Weng Leong abstained from voting. As there was no vote against, Chairman declared Ordinary Resolution No. 5 carried.

6. Approval of Directors' Fees

Chairman informed the meeting that all the Executive Directors of the Company, namely Mr Alvin Yap, Mr Andy Yap and himself had waived their directors' fees as they felt that running the business was part of their duties and hence no additional fees was needed. As for the directors' fees payable to the Independent Directors, the fees were not at all excessive as all of the Independent Directors sit on the various committees of the Company and have contributed positively to the different aspects of the Group.

The breakdown of the fees for the Independent Directors was:

Robson Lee Teck Leng	:	S\$10,000
Chang Weng Leong	:	S\$10,000
Tan Tow Ee	:	S\$6,667 (appointed on 1 May 2002 so the fee was prorated)

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second the Ordinary Resolution No. 6 :

“Resolved that the payment of Directors' fees of S\$26,667.00 for the financial year ended 31 December 2002 be and is hereby approved.”

On the proposal of Mr Low Eng Hua and seconded by Ms Pae Bee Yong, Ordinary Resolution No. 6 was put to a vote. Mr Tan Tow Ee and Mr Chang Weng Leong abstained from voting. As there was no vote against, Chairman declared Ordinary Resolution No. 6 carried.

7. Re-appointment of Auditors

The Chairman introduced Mr Stephen Phan, Ernst & Young, partner in charge of the Qian Hu's audit.

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second Ordinary Resolution No. 7:

“Resolved that Ernst & Young be and are hereby re-appointed Auditors of the Company at a fee to be fixed by the Directors.”

On the proposal of Ms Yap Ai Tin and seconded by Ms Yap Saw Chin, Resolution No. 7 was put to a vote. As there was no vote against, Chairman declared Ordinary Resolution No. 7 carried.

SPECIAL BUSINESS

Ordinary Resolution

8. General Mandate to Authorise the Directors to Issue Shares or Convertible Securities

Chairman read out the second comment raised by Mr Khoo Lay Keong Gavin (please refer to Resolution No.2(i) for Mr Khoo's other comment):-

“Comment

All private placements should be for not less than prevailing share price so as not to dilute my shareholdings. Bonus to all shareholders is fair and ok.”

In response to the above comment, Chairman explained that Ordinary Resolution No. 8, a general mandate for the directors to issue shares and convertible securities, would give the directors the flexibility, when a strategic partner who could add value to the Group's operation was identified, to grab the opportunity that come along and issue new shares to the partner, without having to go back to shareholders at extraordinary general meeting for approval as sometimes opportunity could not wait.

In 2002, Qian Hu did a private placement exercise by placing out 10 millions new shares at a discount of not more than 10% from its prevailing market price. He pointed out that this was a strategic opportunity and that so long as it was within market practice and justifiable from the Company's point of view after considering the long-term value this would have on the Company's shares, it would be inevitable sometimes that the Company had to issue shares at a discount. He reminded the meeting that it was due to the placement exercise last year that there was more liquidity of shares in the market which made the Company's shares one of the top performance stock last year.

He invited questions from shareholders. As there were no questions, he requested shareholders to formally propose and second Ordinary Resolution No. 8: -

“Resolved that pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited (the "Listing Rules"), authority be and is hereby given to the Directors of the Company to allot and issue: -

- (a) shares; or
- (b) convertible securities; or
- (c) additional securities issued pursuant to Rule 829 of the Listing Rules; or
- (d) shares arising from the conversion of the securities in (b) and (c) above,

in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that: (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution must be not more than 50% of the issued share capital of the Company (calculated in accordance with (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the issued share capital of the Company (calculated in accordance with (ii) below); and (ii) for the purpose of determining the number of shares and convertible securities that may be issued pursuant to (i) above, the percentage of issued share capital shall be calculated based on the Company's issued share capital at the date of the passing of this Resolution after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue when this Resolution is passed, and any subsequent consolidation or subdivision of shares. Unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the earlier of the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

On the proposal of Ms Yap Saw Chin and seconded by Mr Low Eng Hua, Ordinary Resolution No. 8 was put to a vote. There were 11 votes for and one vote against. The vote against was by proxy to Chairman. As there were more votes for than against, Chairman declared Ordinary Resolution No. 8 carried.

In trying to understand the reason behind the one vote which voted against Ordinary Resolution No. 8, Chairman said that this might be an attempt to remind the management to be fair to all shareholders when issuing new shares as it could result in shareholding being diluted. However, as one of the substantial shareholders of the Company, Chairman assured the meeting that Management's decisions to issue new shares would have taken into consideration the dilution effect on both substantial and minority shareholders.

There being no further business, the meeting ended at 11.50 a.m. The Chairman invited all to the lunch reception.

CONFIRMED AS A CORRECT RECORD OF THE
PROCEEDINGS OF THE MEETING.

A handwritten signature in black ink, appearing to be 'YAP KIM LEE KENNY', written in a stylized, cursive script.

YAP KIM LEE KENNY
CHAIRMAN