



QIAN HU CORPORATION LIMITED
(Company Registration No. : 199806124N)

**CLARIFICATION ON THE ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

The Board of Directors of Qian Hu Corporation Limited (the "Company") wishes to response to the following clarifications sought by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 April 2012 in relation to the Company's annual report for the financial year ended 31 December 2011 ("Annual Report 2011") released on 27 February 2012:-

SGX-ST's clarification:

For the purpose of complying with Listing Rule 1207(10), please note that the Board and the Audit Committee ("AC") must opine whether the internal controls are adequate to address all 3 areas of risks (i.e. financial, operational and compliance risks). Hence, please provide the required information via SGXNET announcement that the Company is in compliance with Listing Rule 1207(10).

Company's Response:

The Company has stated on page 76 of the Annual Report 2011 that *"The external and internal auditors conducted annual review of the effectiveness of the Group's key internal controls, including financial, operational & compliance controls and risk management. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC".* It also stated that *"the AC, together with the Board, reviewed the effectiveness of the Group's system of internal controls put in place to address the key financial, operational and compliance risks affecting the operations"*.

It has then concluded that *"Based on the reports submitted by the external and internal auditors and the various management controls put in place, the Board with the concurrence of the AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded and that proper accounting records are maintained and financial statements are reliable"*. Accordingly, the Board and the AC are of the opinion that the Group's system of internal controls put in place, addressing the financial, operational and compliance risks; was adequate as at 31 December 2011.

SGX-ST's clarification:

We note that the Company had disclosed significant Related Party Transactions in the financial statements. Please clarify whether the Company had entered into any Interested Person Transactions ("IPTs") (as defined in Chapter 9 of the Listing Manual) in FY 2011 and if so, to provide such disclosure in accordance with Listing Rule 907. If there are no IPTs, please provide a negative statement via SGXNET announcement.

Company's Response:

The Company has stated on page 80 of the Annual Report 2011 that the details of IPTs were disclosed on page 129 of the Annual Report. There were no IPTs entered into by the Group in excess of \$100,000 during the financial year ended 31 December 2011.

BY ORDER OF THE BOARD
QIAN HU CORPORATION LIMITED

KENNY YAP KIM LEE
EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR
23 APRIL 2012