



PRESS RELEASE

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Qian Hu's 4Q11 net profit jumps nearly 40% to \$0.9 million due to gain from disposal of Guangzhou factory

- Dividend of 0.6 cents per ordinary share proposed

S\$'000	FY2011 ended 31 Dec	FY2010 ended 31 Dec	Change (%)	4Q2011 ended 31 Dec	4Q2010 ended 31 Dec	Change (%)
Revenue	88,341	91,163	↓ 3.1	19,316	22,239	↓ 13.1
Gross Profit	27,300	29,247	↓ 6.7	5,373	6,973	↓ 22.9
Net Profit	3,466	4,209	↓ 17.7	886	634	↑ 39.7

SINGAPORE – 11 January 2012 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** announced today that its net profit attributable to shareholders in the fourth quarter of FY2011 jumped 39.7% to \$886,000 mainly due to gains from the disposal of its Guangzhou factory in December 2011.

The Guangzhou factory, which manufactures aquarium and pet accessories, was sold for a cash consideration of \$13,000 as part of the Group's strategic plan to redirect its effort to focus on the research and development of more innovative and high-margin accessories products. This will enable the Group to focus on its core expertise and further expand its distribution network in the PRC.

Sales in the latest quarter dipped 13.1% to \$19.3 million due to weaker demand for ornamental fish as a result of the economic volatility in Europe. The prolonged flooding

situation in Thailand, which began in August and continued into December, disrupted the Group's operations there, particularly in the months of October and November. These factors led to a 27.5% decline in Ornamental Fish revenue in 4Q11, while revenue from Accessories held steady, growing marginally by 0.1% as it was able to leverage on the Group's existing overseas distribution network to bolster its export of accessories products despite the reduction in revenue contribution from the recently disposed Guangzhou factory.

Lower demand from the semiconductor and electronic industries, resulting from the diminution in production output and the ensuing global economic slowdown, led a 4.5% dip in fourth quarter revenue from the Group's Plastics segment.

Full Year Performance

For the full year ended 31 December 2011, Qian Hu's net profit attributable to shareholders declined by 17.7% to \$3.5 million, on the back of a 3.1% drop in revenue to \$88.3 million. On a geographic basis, revenue contribution from Singapore contracted by 3.9% while overseas revenue declined 2.7%.

Earnings/NAV Per Share

Qian Hu posted earnings per share ("EPS") of 0.19 Singapore cents in the latest fourth quarter, and 0.76 Singapore cents for the full year. It posted net asset value per share of 16.21 Singapore cents as at 31 December 2011.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said:

"The protracted slowdown as a result of the Eurozone crisis, coupled with unseasonal weather in Thailand, has dented our performance in 2011. For the next few years, there will be more uncertainties ahead. Even though Asia has generally achieved healthy growth at the present moment, it will still take Asia a few more years to catch up in terms of reaching the kind of market demand generated from European Union. However, we are assured that Qian Hu's business model is robust and diversified, thereby positioning us for resilience in the midst of economic volatility and uncertainty. We will be more aggressive in strengthening our fundamentals, our financial position, and our ability to generate more cash through our operations.

"Barring unforeseen circumstances, we envisage that FY2012 will be another profitable year Qian Hu, despite possible fluctuations in our operating profit from quarter to quarter."

Dividend

The Directors proposed a first and final dividend of 0.6 Singapore cents per ordinary share, which if approved by shareholders at our Annual General Meeting to be held on 15 March 2012, will be paid out on 11 April 2012.

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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 1,000 species 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:

- 1. The first company in the ornamental fish industry in Singapore to be listed on the Mainboard of the Singapore Exchange.*
- 2. The first integrated ornamental fish service provider in Singapore, Malaysia and Thailand to be awarded the ISO 9002 certification for its quality management system.*
- 3. The first in the ornamental fish industry to obtain ISO 14001 certification for its environmental management system.*
- 4. One of the first ornamental fish operations in Singapore to have successfully bred the Dragon Fish and Arapaima for commercial sale.*
- 5. The first SME to receive the Singapore Quality Award in 2004.*
- 6. First SME to receive the Best Managed Board Award (Merit) at the Singapore Corporate Awards in 2008.*
- 7. First Dragon Fish breeder to engage in DNA research and development.*
- 8. First SME to win four awards in the same year at the Singapore Corporate Awards under the small caps category. (Year 2009- Best Managed Board (Merit), Chief Financial Officer of the Year, Best Investor Relations (Bronze), and Best Annual Report (Gold)).*
- 9. First SME to receive the Singapore Quality Award twice - in 2004 and 2009.*
- 10. First SME to be awarded Gold for Best Managed Board in 2010 at the Singapore Corporate Awards.*