



PRESS RELEASE

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Qian Hu posts \$574,000 in 3Q net profit

- Sales dipped 6.2% to \$21.5 million due to weak demand from Europe and a strong Singapore dollar which dampened exports
- Expects continued profitability in the fourth quarter

| SS'000 | 3Q11 ended 30/9/11 | 3Q10 ended 30/9/10 | (%) | 9M11 ended 30/9/11 | 9M10 ended 30/9/10 | (%) |
|--------------|--------------------------|--------------------------|-------|--------------------------|--------------------------|-------|
| Revenue | 21,522 | 22,953 | ↓6.2 | 69,025 | 68,924 | ↑0.1 |
| Gross Profit | 7,079 | 7,920 | ↓10.6 | 21,927 | 22,274 | ↓1.6 |
| Net Profit | 574 | 1,213 | ↓52.7 | 2,580 | 3,575 | ↓27.8 |

SINGAPORE – 17 October 2011 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“**Qian Hu**”) today reported a 52.7% dip in its third quarter net profit attributable to shareholders to \$574,000 on the back of sluggish sales which declined 6.2% to \$21.5 million, affected by weaker demand for ornamental fish and accessories as a result of the economic volatility in Europe. The stronger Singapore dollar also resulted in some of its export customers seeking cheaper alternatives.

For the three months ended 30 September 2011, revenue from Ornamental Fish and Accessories segments declined by 5.7% to \$10.7 million and \$8.2 million respectively. This was despite healthy revenue performance of its self-bred Dragon Fish in Singapore and overseas markets, which helped to bolster the Group’s gross profit margin at around 32.9% (3Q10: 34.5%). The Group’s Plastics segment recorded lower sales to the semiconductor and electronics sectors which were similarly affected by the global economic uncertainties. It posted sales of \$2.7 million in the latest quarter.

Earnings/NAV Per Share

In its latest third quarter results, Qian Hu posted earnings per share of 0.13 Singapore cents, and net asset value per share of 15.99 Singapore cents.

9 Months Performance

In the nine months to 30 September 2011, Qian Hu's revenue rose marginally to \$69.0 million, achieving net profit of \$2.6 million. Whilst revenue contribution from Singapore dipped by 2.9% during this period, the Group's overseas revenue was lifted by approximately 1.6% due to the absence of the combined effects of unseasonal hot weather in Malaysia, volcanic ash in Europe and political riots in Bangkok which occurred last year.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "Qian Hu remains resilient in the midst of global economic volatility and uncertainty. Even though the European market has yet to recover from the 2008 financial crisis, we continue to operate our robust, diversified business model, and remain on a steady growth track. Moving ahead, we are focused on building a resilient balance sheet, generating and maintaining a strong cash flow from our operations and reducing our bank borrowings."

"Barring any unforeseen circumstances, we expect our Group to remain profitable in the 4th quarter," he added.

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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.*