



PRESS RELEASE

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Qian Hu's ornamental fish business sees turnaround in 4Q12

- *Group achieved pre-tax profit of \$140,000 on a 2.7% rise in 4Q sales to \$19.8M as performance of its Accessories similarly improved while Plastics remained consistent*
- *However, Group posted a net loss of \$49,000 from higher tax expenses*
 - *Proposes final dividend of 0.2 Singapore cents per share to be paid in April 2013*

SS'000	FY2012 ended 31 Dec	FY2011 ended 31 Dec	Change (%)	4Q2012 ended 31 Dec	4Q2011 ended 31 Dec	Change (%)
Revenue	84,443	88,341	↓4.4	19,829	19,316	↑2.7
Gross Profit	25,381	27,300	↓7.0	5,911	5,373	↑10.0
Profit (Loss) Before Tax	(8,683)	4,151	↓309.2	140	473	↓70.4
Net (Loss) Profit	(9,137)	3,466	↓363.6	(49)	886	↓105.5

SINGAPORE – 11 January 2013 – Mainboard-listed integrated ornamental fish service provider **Qian Hu Corporation Limited** (“Qian Hu” or, together with its subsidiaries, the “Group”) today reported a net loss attributable to shareholders of \$49,000 for the fourth quarter ended 31 December 2012 following the disposal of its loss-making subsidiary in Malaysia, Kim Kang Aquaculture Sdn Bhd (“Kim Kang”) in the fourth quarter of 2012.

This was despite Group revenue in the latest quarter rising 2.7% to \$19.8 million on the back of improved Ornamental Fish sales as a result of selling more fish to Northeast Asian

markets, particularly China where the Group enjoys a robust market share, coupled with its expanding distribution network and strong brand identity. The Group's newly set-up subsidiary in Indonesia, as well as export output from Singapore, Malaysia and Thailand helped to boost its Ornamental Fish sales up 6.2% to \$7.8 million in the fourth quarter.

Strong export sales also helped boost the Group's Accessories segment up 0.8% to \$9.2 million in revenue despite a reduction in contribution from its disposed Guangzhou factory. The Group's Plastics business continued to be consistent, contributing approximately \$2.8 million in sales.

Full Year Performance

For the full year ended 31 December 2012, Qian Hu posted a net loss attributable to shareholders of \$9.1 million on the back of a 4.4% dip in revenue to \$84.4 million. On a geographic basis, revenue contribution from Singapore contracted by 12.1% while overseas revenue declined by 0.8%.

NAV/Loss Per Share

Qian Hu posted net asset value per share of 11.92 Singapore cents as at 31 December 2012, and net loss per share of 0.01 Singapore cents in 4Q12.

Kenny Yap, Qian Hu's Executive Chairman and Managing Director, said: "We are pleased to see that our Ornamental Fish segment has stabilised and has in fact started to turn around in the latest quarter, thanks to continued strong demand in the Northeast Asian markets. Moving ahead, we will continue to focus on high-growth regions of Middle East, Eastern Europe, China and India. In expanding our export distribution network, we will also have ample opportunities to cross-sell our Accessories products even as we increase our efforts to develop more innovative products. Moving ahead, Qian Hu will focus on our proprietary brands, strong R&D efforts and an efficient supply chain management. Our business model remains robust and the diversity of our businesses has put us in good standing. We will be more aggressive in the strengthening of our fundamentals and final position as well as in enhancing our ability to generate cash. This could mean possible fluctuations in our operating profit from quarter to quarter, but in the long run, we believe this

will enable Qian Hu to be even more resilient and sustainable. Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable in FY2013.”

Dividend

The Directors proposed a final dividend of 0.2 Singapore cents per ordinary share, which if approved by shareholders at our Annual General Meeting to be held on 15 March 2013, will be paid out on 12 April 2013.

In addition, the special dividend of 0.5 Singapore cents per ordinary share declared arising from the disposal of Kim Kang, is expected to be paid out in October 2013, after the second tranche of cash consideration of \$877,500 is received.

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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 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.

Since its listing in 2000, Qian Hu (which means “Thousand Lakes” in Chinese), has been recognised for its best practices in corporate transparency and governance – such as the Securities Investors Association of Singapore’s Most Transparent Company Awards, and various accolades by the organisers of the Singapore Corporate Awards - Best Managed Board, Chief Financial Officer of the Year, Best Investor Relations and Best Annual Report Awards.

In 2012, the Group won top honours amongst SMEs at the Singapore Sustainability Awards organised by the Singapore Business Federation, and attained “Application Level C” from Global Reporting Initiative (GRI), the international standard for sustainability reporting.