



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. : 199806124N)

THIRD QUARTER & NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT

1(a) **INCOME STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011**

	Note	Group			Group		
		3 months ended 30 Sep		Change %	9 months ended 30 Sep		Change %
		2011 \$'000	2010 \$'000		2011 \$'000	2010 \$'000	
Revenue		21,522	22,953	(6.2)	69,025	68,924	0.1
Cost of sales		(14,443)	(15,033)	(3.9)	(47,098)	(46,650)	1.0
Gross profit		7,079	7,920	(10.6)	21,927	22,274	(1.6)
Other operating income	i	68	45	51.1	158	123	28.5
		7,147	7,965	(10.3)	22,085	22,397	(1.4)
Selling & distribution expenses	ii	(461)	(397)	16.1	(1,201)	(1,241)	(3.2)
General & administrative expenses	ii	(5,647)	(5,855)	(3.6)	(16,834)	(16,129)	4.4
Results from operating activities	iii	1,039	1,713	(39.3)	4,050	5,027	(19.4)
Financial income	iv	2	1	100.0	7	3	133.3
Financial expenses	iv	(115)	(135)	(14.8)	(305)	(388)	(21.4)
		926	1,579	(41.4)	3,752	4,642	(19.2)
Share of losses of associates	v	(49)	(13)	276.9	(74)	(66)	12.1
Profit before income tax		877	1,566	(44.0)	3,678	4,576	(19.6)
Income tax expense	vi	(243)	(205)	18.5	(771)	(766)	0.7
Profit for the period		634	1,361	(53.4)	2,907	3,810	(23.7)
Attributable to:							
Equity holders of the Company		574	1,213	(52.7)	2,580	3,575	(27.8)
Non-controlling interests		60	148	(59.5)	327	235	39.1
Profit for the period		634	1,361	(53.4)	2,907	3,810	(23.7)
Gross profit margin		32.9%	34.5%		31.8%	32.3%	
Net profit margin		2.9%	5.9%		4.2%	5.5%	
Effective tax rate		27.7%	13.1%		21.0%	16.7%	



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STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Sep</u>		<u>Change</u>	<u>9 months ended 30 Sep</u>		<u>Change</u>
	<u>2011</u>	<u>2010</u>		<u>2011</u>	<u>2010</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Profit for the period	634	1,361	(53.4)	2,907	3,810	(23.7)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	244	(286)	185.3	(855)	1,099	(177.8)
Other comprehensive income for the period, net of tax	244	(286)	185.3	(855)	1,099	(177.8)
Total comprehensive income for the period	878	1,075	(18.3)	2,052	4,909	(58.2)
Attributable to:						
Equity holders of the Company	755	1,013	(25.5)	2,013	4,311	(53.3)
Non-controlling interests	123	62	98.4	39	598	(93.5)
Total comprehensive income for the period	878	1,075	(18.3)	2,052	4,909	(58.2)

Notes to Income Statement

(i) **Other operating income**

The increase in other operating income in first 9 months of 2011 as compared to the corresponding period in 2010 was mainly attributable to the gain on disposal of property, plant and equipment of \$35K (30/9/10: \$15K).

(ii) **Selling & distribution expenses**
General & administrative expenses

The increase in operating expenses by approximately \$0.1 million and \$0.7 million in the current quarter and for the nine months ended 30 September 2011 respectively, as compared to the corresponding periods in 2010, was mainly due to higher personnel expenses incurred as a result of annual salary revision and the increase in overall headcount of the Group. This was in line with the growth in the Group's operations. In addition, there was an increase in allowance made for inventory obsolescence of approximately \$0.16 million during the first 9 months of 2011 (increase of \$0.11 million in 3rd quarter 2011) and a decrease of exchange gain of \$0.1 million during the first 9 months of 2011 (increase of \$0.26 million in 3rd quarter 2011).



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Notes to Income Statement (cont'd)

(iii) **Profit from operations**

This is determined after charging (crediting) the following:

	Group		Group	
	3 months ended 30 Sep 2011 \$'000	2010 \$'000	9 months ended 30 Sep 2011 \$'000	2010 \$'000
Auditors' remuneration				
- auditors of the Company	28	18	64	54
- other auditors	7	5	20	18
Non-audit fees				
- other auditors	7	-	14	9
Directors' fees				
- directors of the Company	15	25	50	60
Directors' remuneration				
- directors of the Company	258	257	793	767
- directors of subsidiaries	150	143	447	426
Bad trade receivables				
- written off	-	2	1	3
- recovered	(5)	-	(5)	(1)
Depreciation of				
- property, plant and equipment	548	545	1,650	1,614
- brooder stocks	131	165	454	505
Property, plant and equipment written off	1	-	4	11
Gain on disposal of property, plant and equipment	(19)	(10)	(35)	(15)
Allowance for (Write back of)				
- doubtful trade receivables	145	410	324	439
- inventory obsolescence	81	(30)	115	(48)
Operating lease expenses	291	279	900	838
Personnel expenses *	3,327	3,105	9,710	9,090
Exchange gain, net	(265)	(2)	(419)	(516)

* Include directors' remuneration.

(iv) **Financial income**
Financial expenses

	Group		Group	
	3 months ended 30 Sep 2011 \$'000	2010 \$'000	9 months ended 30 Sep 2011 \$'000	2010 \$'000
Interest expense				
- bank loans and overdrafts	57	71	164	221
- bills payable	50	55	116	140
- finance lease liabilities	8	9	25	27
	115	135	305	388
Interest income				
- bank deposits	(2)	(1)	(7)	(3)
Net financial expenses	113	134	298	385



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Notes to Income Statement (cont'd)

(iv) **Financial income**
Financial expenses (cont'd)

The reduction in interest expenses was mainly due to lower interest rates charged by the financial institutions during the 3rd quarter and nine months ended 30 September 2011 as compared to the corresponding periods in 2010.

(v) **Share of losses of associates**

The losses were mainly as a result of lower than expected revenue and profit margins from our associate in the UK during the current quarter. Nonetheless, with conscientious cost savings measures put in place in the coming quarters, coupled with a stabilised marketing network, its profitability should improve accordingly.

(vi) **Income tax expense**

	Group		Group	
	3 months ended 30 Sep	3 months ended 30 Sep	9 months ended 30 Sep	9 months ended 30 Sep
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current tax				
- current year	243	205	747	816
- under provision in respect of prior year	-	-	24	10
Deferred tax				
- over provision in respect of prior year	-	-	-	(60)
	243	205	771	766

Despite the tax incentives granted for qualifying expenditures, the effective tax rate registered for the 3rd quarter of 2011 and the nine months ended 30 September 2011 were higher than the amount obtained by applying the statutory tax rate of 17% on profit before income tax mainly due to losses incurred by some subsidiaries which cannot be offset against profits earned by other companies in the Group and the varying statutory tax rates of different countries in which the Group operates.



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Equity attributable to equity holders of the Company				
Share capital	30,772,788	30,772,788	30,772,788	30,772,788
Reserves	31,692,714	31,950,533	17,435,162	17,217,641
	62,465,502	62,723,321	48,207,950	47,990,429
Non-Controlling Interests	10,144,516	10,306,875	-	-
Total Equity	72,610,018	73,030,196	48,207,950	47,990,429
Non-Current Assets				
Property, plant and equipment	13,141,302	13,783,353	5,640,465	5,872,096
Brooder stocks	29,016,570	30,249,743	2,999,047	3,050,422
Investments in subsidiaries	-	-	12,012,586	12,012,586
Investments in associates	1,029,575	1,103,239	1,215,200	1,215,200
Intangible assets	2,308,668	2,308,668	343,048	343,048
Current Assets				
Inventories	27,200,753	24,083,701	7,065,869	6,801,252
Breeder stocks	1,283,395	1,283,395	426,195	426,195
Trade receivables	17,913,759	19,181,907	8,443,890	8,914,446
Other receivables, deposits and prepayments	3,518,237	2,295,924	1,531,479	668,271
Due from				
- subsidiaries (trade)	-	-	19,794,517	18,417,476
- subsidiaries (non-trade)	-	-	4,114,534	3,739,571
- associates (trade)	1,535,599	1,428,151	49,102	15,208
Fixed deposits	24,560	24,560	24,560	24,560
Cash and bank balances	10,207,287	11,665,987	5,737,221	6,078,746
	61,683,590	59,963,625	47,187,367	45,085,725
Current Liabilities				
Trade payables	7,482,979	8,445,380	2,882,317	3,262,353
Bills payable to banks (unsecured)	4,750,416	4,362,995	1,071,613	572,412
Other payables and accruals	4,001,489	4,491,483	2,954,370	3,117,915
Due to				
- subsidiaries (trade)	-	-	111,598	63,004
- subsidiaries (non-trade)	-	-	930,000	1,230,000
Finance lease liabilities	164,359	177,886	50,036	57,578
Bank term loans	12,970,433	11,480,104	12,100,000	10,300,000
Current tax payable	713,126	718,673	456,970	314,165
	30,082,802	29,676,521	20,556,904	18,917,427
Net Current Assets	31,600,788	30,287,104	26,630,463	26,168,298
Non-Current Liabilities				
Finance lease liabilities	(258,876)	(372,818)	(76,264)	(114,626)
Deferred tax liabilities	(4,228,009)	(4,329,093)	(556,595)	(556,595)
Net Assets	72,610,018	73,030,196	48,207,950	47,990,429



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION (cont'd)**

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
Inventory turnover (days)	156	141	78	75
Trade receivables turnover (days)	73	75	65	63
Debt equity ratio	0.48	0.47	0.44	0.41

Notes to Statements of Financial Position

(1) The details of subsidiaries are as follows:

Name of subsidiary	Effective equity interest held by the Group		Cost of investment by the Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	%	%	\$	\$
Qian Hu Tat Leng Plastic Pte Ltd (Singapore)	100	100	57,050	57,050
Qian Hu Aquarium and Pets (M) Sdn Bhd and its subsidiary: (Malaysia)	100	100	171,951	171,951
- Qian Hu The Pet Family (M) Sdn Bhd (Malaysia)	100	100	-	-
Kim Kang Aquaculture Sdn Bhd (Malaysia)	65	65	8,538,391	8,538,391
Beijing Qian Hu Aquarium & Pets Co., Ltd (People's Republic of China)	100	100	171,824	171,824
Guangzhou Qian Hu Aquarium & Pets Accessories Manufacturing Co., Ltd (People's Republic of China)	100	100	1,686,039	1,686,039
Shanghai Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	1,086,516	1,086,516
Qian Hu Marketing Co Ltd (Thailand)	74	74	148,262	148,262
Thai Qian Hu Company Limited and its subsidiary: (Thailand)	60	60	121,554	121,554
- Advance Aquatic Co., Ltd. (Thailand)	60	60	-	-
NNTL (Thailand) Limited (Thailand)	49 *	49 *	30,999	30,999
			12,012,586	12,012,586

* The Company has voting control at general meetings & Board meetings of NNTL (Thailand) Limited.



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Notes to Statements of Financial Position (cont'd)

As announced on 12 January 2011, the Company has entered into a Memorandum of Understanding with three other parties to incorporate a 55% owned subsidiary in Indonesia, P.T. Qian Hu Joe Aquatic Indonesia (“PTQHJ”), to undertake the business in relation to the breeding, rearing, trading, exporting and importing of all kinds of ornamental fish and the trading of aquarium accessories. The Company’s cost of investment in PTQHJ, amounting to approximately \$550K, will be injected into the new company upon the completion of its incorporation work, which is expected to be in the 4th quarter of 2011.

(2) The details of associates are as follows:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Unquoted equity investments				
- Arcadia Products PLC	812,600	812,600	812,600	812,600
- Qian Hu Aquasstar (India) Private Limited	402,600	402,600	402,600	402,600
	<u>1,215,200</u>	<u>1,215,200</u>	<u>1,215,200</u>	<u>1,215,200</u>
Share of post-acquisition losses	(185,625)	(111,961)	-	-
	<u>1,029,575</u>	<u>1,103,239</u>	<u>1,215,200</u>	<u>1,215,200</u>

Name of associate	Principal activities	Effective equity held by the Group	
		30 Sep 2011	31 Dec 2010
		%	%
Arcadia Products PLC (United Kingdom)	Manufacture and distribution of aquarium lamps	20	20
Qian Hu Aquasstar (India) Private Limited (India)	Manufacture of fish food and aquarium accessories	50	50

(3) Intangible assets comprise:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Trademarks/customer acquisition costs	937,930	938,414	921,497	921,497
Product listing fess	196,153	196,153	196,153	196,153
Goodwill on consolidation	1,965,620	1,965,620	-	-
	<u>3,099,703</u>	<u>3,100,187</u>	<u>1,117,650</u>	<u>1,117,650</u>
Less accumulated amortisation	(791,035)	(791,519)	(774,602)	(774,602)
	<u>2,308,668</u>	<u>2,308,668</u>	<u>343,048</u>	<u>343,048</u>



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Notes to Statements of Financial Position (cont'd)

Trademarks/customer acquisition costs relate to costs paid to third parties in relation to the acquisition of trademarks rights and existing customer base of two brands of pet food. Such costs were determined to have indefinite lives and are tested for impairment annually.

Product listing fees relate to cost paid to third parties in relation to the entitlements to list and sell the Company's products in certain supermarkets, and are amortised over 3 years.

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of subsidiaries acquired. The goodwill balance is subjected to annual impairment testing.

(4) Inventories comprise:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Fish	7,365,221	5,869,770	2,237,190	2,232,362
Accessories	19,416,176	17,667,733	5,203,679	4,828,890
Plastics products - raw materials	340,050	387,369	-	-
Plastics products - finished goods	548,096	512,619	-	-
	27,669,543	24,437,491	7,440,869	7,061,252
Less allowance for inventory obsolescence	(468,790)	(353,790)	(375,000)	(260,000)
	27,200,753	24,083,701	7,065,869	6,801,252

The increase in inventory balance as at 30 September 2011 was mainly due to additional purchases of Dragon Fish made in anticipation of its increasing demand. This is also to ensure that there is a consistent supply of Dragon Fish in the following quarters.

The increase in accessories inventory balance as at 30 September 2011 was mainly due to higher pet accessories held as well as the increase in raw materials purchases made by our Guangzhou factory for production orders in relation to new products launched in May 2011 at the AQUARAMA trade show. The delivery of these products is due in the 2nd half of 2011.

(5) Trade receivables comprise:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Trade receivables	19,954,689	21,385,406	10,256,931	10,889,881
Less allowance for doubtful trade receivables	(2,040,930)	(2,203,499)	(1,813,041)	(1,975,435)
	17,913,759	19,181,907	8,443,890	8,914,446

Our conscientious effort made in monitoring and collection of trade receivables balances has resulted in the decrease in the amount of trade receivables as at 30 September 2011. Accordingly, the trade receivables turnover days have decreased from 75 days as at 31 December 2010 to 73 days as at 30 September 2011. The Group typically grants existing customers credit terms of 30 to 90 days.



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Notes to Statements of Financial Position (cont'd)

- (6) Other receivables, deposits and prepayments comprise:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Other receivables	361,023	334,359	176,813	128,730
Deposits	361,778	349,101	74,580	60,230
Prepayments	919,666	596,424	237,767	174,835
Advances to suppliers	876,412	254,479	804,314	251,930
Deposit for purchase of property, plant and equipment	400,484	80,518	238,005	52,546
Tax recoverable	598,874	681,043	-	-
	3,518,237	2,295,924	1,531,479	668,271

The higher amount of other receivables, deposits and prepayments balances as at 30 September 2011 was mainly due to:-

- increase in deposits placed for the purchase of equipment in relation to the on-going infrastructure construction work undertaken by our overseas entities. These amounts will be capitalised as plant, property and equipment upon the completion of the construction work.
 - increase in advance payments to suppliers for purchases made which are due for delivery in the 4th quarter of 2011.
 - increase in amount of prepayments made as at 30 September 2011 as a result of payments incurred for certain expenses at the beginning of the year. Such amounts will be charged to the income statement throughout the financial year.
- (7) The reduction in trade payables as at 30 September 2011 was due to prompt settlement of trade payables so as to secure better trade discounts with our regular suppliers for purchases made. On the other hand, there were more purchases made via trade financing facilities, resulting in an increase in bills payable as at 30 September 2011.

- (8) Other payables and accruals comprise:

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Accrued operating expenses	283,260	254,596	115,432	154,504
Accrued staff costs	1,419,515	1,577,273	983,283	1,163,831
Other payables	1,997,336	1,992,147	1,719,602	1,706,259
Advance received from customers	301,378	667,467	136,053	93,321
	4,001,489	4,491,483	2,954,370	3,117,915

The reduction of other payables and accruals as at 30 September 2011 was mainly due to a decrease in the amount of advance received from customers in relation to Dragon Fish purchases from our Malaysia farm. The delivery of Dragon Fish was fulfilled during the current period and the amount received in FY 2010 has been recognised as revenue.



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Notes to Statements of Financial Position (cont'd)

- (9) The decrease in finance lease liabilities as at 30 September 2011 was due to settlement of monthly instalments due under the hire purchase agreements during the first 9 months of 2011.

1(b)(ii) **GROUP BORROWINGS**

	Group		Company	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	\$	\$	\$	\$
Unsecured term loans				
- short-term	12,100,000	10,300,000	12,100,000	10,300,000
- long-term	870,433	1,180,104	-	-
	12,970,433	11,480,104	12,100,000	10,300,000

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.102% to 1.45% (31/12/2010: 1.31% to 1.43%) per annum and are repayable within the next 12 months from the reporting date.

The long-term loans, taken by a subsidiary, comprise:

- a 10-year unsecured bank loan of RM2.5 million, bears interest at 8.10% (31/12/2010: 7.80%) per annum and is repayable in 120 monthly instalments commencing March 2007; and
- a 5-year unsecured bank loan of RM3.0 million, bears interest at 7.60% (31/12/2010: 7.30%) per annum and is repayable in 60 monthly instalments commencing May 2009.

As at 30 September 2011, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$10.9 million (31/12/2010: \$11.2 million).



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1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
30 SEPTEMBER 2011**

	Group		Group	
	3 months ended 30 Sep 2011	2010	9 months ended 30 Sep 2011	2010
	\$	\$	\$	\$
Cash flows from operating activities				
Profit before income tax	877,315	1,566,659	3,677,907	4,576,449
Adjustments for:				
Bad trade receivables				
- written off	36	2,449	512	2,825
- recovered	(5,125)	-	(5,125)	(721)
Depreciation of				
- property, plant and equipment	548,259	544,735	1,649,576	1,614,497
- brooder stocks	131,202	165,398	454,194	504,707
Gain on disposal of property, plant and equipment	(19,000)	(10,126)	(34,897)	(14,768)
Property, plant and equipment written off	1,390	382	4,085	10,740
Allowance for (Write back of)				
- doubtful trade receivables	144,600	410,323	323,807	438,994
- inventory obsolescence	81,000	(30,000)	115,000	(48,000)
Share of losses of associates	48,787	12,582	73,664	66,000
Interest expense	114,968	134,456	304,956	388,066
Interest income	(1,257)	(446)	(6,722)	(2,853)
Operating profit before working capital changes	1,922,175	2,796,412	6,556,957	7,535,936
(Increase) Decrease in:				
Inventories	(867,940)	(310,661)	(3,401,844)	(2,519,360)
Trade receivables	205,289	(879,644)	932,238	(424,874)
Other receivables, deposits and prepayments	(372,133)	59,996	(1,309,480)	(300,456)
Due from associates (trade)	(4,211)	(177,370)	(42,897)	33,021
Increase (Decrease) in:				
Trade payables	(381,861)	(86,715)	(881,405)	782,805
Bills payable to banks	267,923	(215,499)	495,982	(1,203)
Other payables and accruals	35,167	129,466	(472,613)	(1,044,671)
Due to associates (trade)	-	(34,473)	-	-
Cash generated from operating activities	804,409	1,281,512	1,876,938	4,061,198
Payment of income tax	(316,685)	(498,526)	(709,157)	(1,370,165)
Net cash from operating activities	487,724	782,986	1,167,781	2,691,033
Cash flows from investing activities				
Purchase of property, plant and equipment	(251,503)	(309,698)	(1,188,622)	(966,227)
Proceeds from disposal of property, plant and equipment	19,000	10,103	40,772	15,358
Interest received	1,257	446	6,722	2,853
Net cash used in investing activities	(231,246)	(299,149)	(1,141,128)	(948,016)



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1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2011 (cont'd)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep 2011</u>	<u>2010</u>	<u>9 months ended 30 Sep 2011</u>	<u>2010</u>
	\$	\$	\$	\$
Cash flows from financing activities				
Proceeds from issuance of new shares	-	167,717	-	1,117,866
Drawdown of bank term loans	-	-	1,800,000	-
Repayment of				
- finance lease liabilities	(45,310)	(55,992)	(140,169)	(168,952)
- bank term loans	(93,130)	(522,757)	(275,873)	(1,155,324)
Payment of dividends to				
- shareholders of the Company	-	-	(2,270,532)	(2,241,701)
- non-controlling shareholder of a subsidiary	(102,000)	-	(201,600)	(104,160)
Interest paid	(115,837)	(134,312)	(305,197)	(390,874)
Net cash used in financing activities	(356,277)	(545,344)	(1,393,371)	(2,943,145)
Net decrease in cash and cash equivalents	(99,799)	(61,507)	(1,366,718)	(1,200,128)
Cash and cash equivalents at beginning of period	10,185,437	8,809,827	11,690,547	9,846,614
Effect of exchange rate changes				
on cash balances held in foreign currencies	146,209	(34,103)	(91,982)	67,731
Cash and cash equivalents at end of period (Note i)	10,231,847	8,714,217	10,231,847	8,714,217

Notes to Statement of Cash Flows

(i) Cash and cash equivalents comprise:

	<u>Group</u>	
	<u>30 Sep 2011</u>	<u>30 Sep 2010</u>
	\$	\$
Fixed deposits	24,560	24,560
Cash and bank balances	10,207,287	8,689,657
	10,231,847	8,714,217

(ii) Despite our ability to realise the trade receivables balances into cash for the settlement of trade and other payables and accruals, a lower operating profit generated on a year-on-year basis and an increase in inventory balances during the first 9 months of 2011 has resulted in a reduction in the Group's **net cash from operating activities** during the first 9 months of 2011 as compared to its corresponding period in 2010.

Net cash used in investing activities was mainly related to capital expenditure incurred for the on-going enhancement to the infrastructure and farm facilities in Singapore and overseas.

During the first 9 months of 2011, cash proceeds from bank borrowings were utilised for the repayment of bank loans, payment of dividends to the non-controlling shareholder of a subsidiary and the settlement of finance lease liabilities on a monthly basis, as well as the servicing of interest payments. The above, coupled with the payment of final dividends to the shareholders of the Company in April 2011, resulted in **net cash used in financing activities**.



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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY**

Group	Equity attributable to equity holders of the Company				Non-controlling interests \$	Total Equity \$
	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$		
Balance at 1 Jan 2010	29,654,922	31,042,392	(1,471,073)	59,226,241	9,993,905	69,220,146
Transactions with owners of the Company, recognised directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Issue of new shares	1,117,866	-	-	1,117,866	-	1,117,866
Payment of first and final dividend	-	(2,241,701)	-	(2,241,701)	-	(2,241,701)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(207,360)	(207,360)
Total transactions with owners of the Company	1,117,866	(2,241,701)	-	(1,123,835)	(207,360)	(1,331,195)
Total comprehensive income for the year						
Profit for the year	-	4,209,083	-	4,209,083	308,075	4,517,158
<i>Other comprehensive income</i>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	411,832	411,832	212,255	624,087
Total other comprehensive income	-	-	411,832	411,832	212,255	624,087
Total comprehensive income for the year	-	4,209,083	411,832	4,620,915	520,330	5,141,245
Balance at 31 Dec 2010	30,772,788	33,009,774	(1,059,241)	62,723,321	10,306,875	73,030,196
Transactions with owners of the Company, recognised directly in equity						
<i>Contributions by and distributions to owners of the Company</i>						
Payment of first and final dividend	-	(2,270,532)	-	(2,270,532)	-	(2,270,532)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(201,600)	(201,600)
Total transactions with owners of the Company	-	(2,270,532)	-	(2,270,532)	(201,600)	(2,472,132)
Total comprehensive income for the year						
Profit for the year	-	2,579,705	-	2,579,705	326,745	2,906,450
<i>Other comprehensive income</i>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(566,992)	(566,992)	(287,504)	(854,496)
Total other comprehensive income	-	-	(566,992)	(566,992)	(287,504)	(854,496)
Total comprehensive income for the year	-	2,579,705	(566,992)	2,012,713	39,241	2,051,954
Balance at 30 Sep 2011	30,772,788	33,318,947	(1,626,233)	62,465,502	10,144,516	72,610,018



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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY (cont'd)**

Company	Share capital \$	Accumulated profits \$	Total \$
Balance at 1 Jan 2010	29,654,922	16,163,180	45,818,102
Transactions with owners of the Company, recognised directly in equity			
<i>Contributions by and distributions to owners of the Company</i>			
Issue of new shares	1,117,866	-	1,117,866
Payment of first and final dividend	-	(2,241,701)	(2,241,701)
Total transactions with owners of the Company	<u>1,117,866</u>	<u>(2,241,701)</u>	<u>(1,123,835)</u>
Total comprehensive income for the year			
Profit for the year	-	3,296,162	3,296,162
<i>Other comprehensive income</i>			
Total other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>3,296,162</u>	<u>3,296,162</u>
Balance at 31 Dec 2010	<u>30,772,788</u>	<u>17,217,641</u>	<u>47,990,429</u>
Transactions with owners of the Company, recognised directly in equity			
<i>Contributions by and distributions to owners of the Company</i>			
Payment of first and final dividend	-	(2,270,532)	(2,270,532)
Total transactions with owners of the Company	<u>-</u>	<u>(2,270,532)</u>	<u>(2,270,532)</u>
Total comprehensive income for the year			
Profit for the year	-	2,488,053	2,488,053
<i>Other comprehensive income</i>			
Total other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>2,488,053</u>	<u>2,488,053</u>
Balance at 30 Sep 2011	<u>30,772,788</u>	<u>17,435,162</u>	<u>48,207,950</u>

1(d)(ii) **CHANGES IN COMPANY'S SHARE CAPITAL**

Share capital	Number of shares	\$
Ordinary shares issued and fully paid		
Balance as at 1 Jan 2011 and 30 Sep 2011	<u>454,106,350</u>	<u>30,772,788</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2010.

There were no outstanding convertibles as at 30 September 2011 (30/09/2010: Nil).

The Company did not hold any treasury shares as at 30 September 2011 (30/09/2010: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the nine months ended 30 September 2011.



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1(e) **NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the third quarter and the nine months ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

KENNY YAP KIM LEE
Executive Chairman and
Managing Director

ALVIN YAP AH SENG
Deputy Managing Director

Singapore
17 October 2011

2 **AUDIT**

The financial statements have not been audited or reviewed by the Company's auditors.

3 **AUDITORS' REPORT**

Not applicable

4 **ACCOUNTING POLICIES**

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2010.

5 **CHANGES IN ACCOUNTING POLICIES**

The adoption of the new and revised FRSS is assessed to have no material impact to the results of the Group and of the Company for the year ending 31 December 2011.

6 **EARNINGS PER ORDINARY SHARE (EPS)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
EPS (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.13	0.27	0.57	0.81
- on a fully diluted basis (cents)	0.13	0.27	0.57	0.81

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 454,106,350 (30/9/2010: 444,078,387).

There is no difference between the basic and diluted earnings per share.



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7 **NET ASSET VALUE PER SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2011</u>	<u>31 Dec 2010</u>	<u>30 Sep 2011</u>	<u>31 Dec 2010</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	15.99	16.08	10.62	10.57

Net asset value per share is computed based on the number of shares in issue as at 30 September 2011 of 454,106,350 (31/12/2010: 454,106,350).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

9 months 2011 vs 9 months 2010

	<u>Group</u>		<u>Increase (Decrease)</u>	
	<u>9 months ended 30 Sep 2011</u>	<u>2010</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	35,355	35,022	333	1.0
Accessories	25,145	25,295	(150)	(0.6)
Plastics	8,525	8,607	(82)	(1.0)
	<u>69,025</u>	<u>68,924</u>	<u>101</u>	<u>0.1</u>

For the 9 months ended 30 September 2011, the ornamental fish and accessories activities continued to be our core activities, which together accounted for almost 88% of total revenue. Our revenue increased marginally by \$0.1 million or 0.1% from \$68.9 million for the 9 months ended 30 September 2010 to \$69.0 million for the 9 months ended 30 September 2011.

On a geographical basis, the revenue contribution from Singapore dipped by 2.9% in the first 9 months of 2011 as compared to its corresponding period in 2010. Without the multiple whammy of severe hot weather condition which led to low supply of self-bred Dragon Fish, air traffic disruption due to volcanic ash and political riot in Bangkok which each had an adverse effect on either the Group's export sales or its overseas operations during the 2nd quarter of 2010, our overseas revenue increased by approximately 1.6% in the first 9 months of 2011 as compared to its corresponding period in 2010.

3Q 2011 vs 3Q 2010

	<u>Group</u>		<u>Decrease</u>	
	<u>3Q 2011</u>	<u>3Q 2010</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	10,690	11,341	(651)	(5.7)
Accessories	8,152	8,647	(495)	(5.7)
Plastics	2,680	2,965	(285)	(9.6)
	<u>21,522</u>	<u>22,953</u>	<u>(1,431)</u>	<u>(6.2)</u>



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(a) **Revenue (cont'd)**

3Q 2011 vs 3Q 2010 (cont'd)

Our revenue decreased by approximately \$1.4 million or 6.2% in the 3rd quarter of 2011 as compared to its corresponding period in 2010. All business segments registered reduction in revenue during the current quarter.

Fish

As mentioned in our 2nd quarter results announcements, the multiple whammies which adversely affected our revenue from ornamental fish in the 2nd quarter of 2010 has since alleviated, especially with the stabilisation of the Dragon Fish production towards the end of FY 2010. With the constant demand for our Dragon Fish in the current financial year, we were able to record healthy revenue from the sales of self-bred Dragon Fish in both the domestic and overseas markets as compared to the corresponding period in 2010.

However, the weakening purchasing sentiments from the challenging European market in view of its sovereign debt crisis and in anticipation of the possible curb in the government's budget spending in order to restrain the rising government debts level, have resulted in a reduction in demand for ornamental fish in that region. This has a negative impact on the revenue contribution from the export of ornamental fish as the Group's revenue from overseas markets (including European countries) have reduced by approximately 5% in the current quarter as compared its corresponding period in 2010. In addition, the strengthening of the SGD dollar in the current quarter has resulted in certain export customers seeking for alternative cheaper source of ornamental fish supply.

Accessories

Our accessories export business has managed to leverage on the Group's existing overseas distribution bases & network and the infrastructure available to explore more untapped markets with growth potential. However, the reduction in revenue contribution from our Guangzhou factory due to the reduction in production orders received from our OEM customers since the 3rd quarter of 2010 has resulted in a decline in our accessories revenue in the current quarter of 2011 as compared to its corresponding period in 2010. Our OEM customers with business dealings mainly in the European markets were affected by the region's sluggish economic conditions and its gloomy outlook.

As mentioned in our earlier announcements, we have since utilised the surplus factory capacity in Guangzhou to produce a new range of propriety brand products for sales so as to mitigate the decline in revenue contribution from our Guangzhou factory. The Guangzhou factory will increase its production of these propriety brand products for sales to the China domestic market in the coming quarters so as to hedge against the challenging European markets.

Plastics

Revenue from plastics activities registered a decline of \$0.3 million or 9.6% in the current quarter as compared to its corresponding period in 2010 mainly due to lower sales of plastic products to the semiconductor and electronic sectors as a result of the diminution in production output from these sectors during the current quarter, coupled with a tumble in market demand in view of the global economic slowdown during the current financial period.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(a) **Revenue (cont'd)**

3Q 2011 vs 2Q 2011

	<u>Group</u>		Decrease	
	<u>3Q</u>	<u>2Q</u>		
	2011	2011	\$'000	%
	\$'000	\$'000		
Fish	10,690	12,015	(1,325)	(11.0)
Accessories	8,152	8,463	(311)	(3.7)
Plastics	2,680	2,871	(191)	(6.7)
	<u>21,522</u>	<u>23,349</u>	<u>(1,827)</u>	<u>(7.8)</u>

Our revenue decreased by \$1.8 million or 7.8% from \$23.3 million in the 2nd quarter of 2011 to \$21.5 million in the 3rd quarter of 2011 as all business segment registered a reduction in revenue during the current quarter as compared to the previous quarter.

Fish

Traditionally, the 3rd quarter of each year has been a relatively low season for our ornamental fish export business due to the summer holidays in Europe whereby our European customers would mostly take off for their own vacation.

In addition, as mentioned earlier, our self-bred Dragon Fish supplies were affected by the unprecedented severe hot weather and the unstable weather condition in Malaysia; hence the revenue contribution from our ornamental fish activities plunged in the previous financial year. With the resumption of the supply of self-bred Dragon Fish from our Malaysia farm toward the end of FY 2010, there was an increase in demand and sales of Dragon Fish during the 1st half of 2011. The high revenue base reported in the previous two quarters of 2011 gave rise to a relatively lower ornamental fish revenue contribution in the current quarter (3Q 2011), despite no evident negative factors affecting its revenue contribution in the current quarter.

Accessories

On a quarter-to-quarter basis, our revenue from our accessories activities was affected by the continuous reduction in revenue contribution from our Guangzhou factory due to the reduction in production orders received from our OEM customers since the 3rd quarter of 2010. Our OEM customers with business dealings mainly in the European markets were affected by the region's sluggish economic conditions and its gloomy outlook.

Plastics

Revenue from our plastics activities registered a marginal decline of \$0.2 million or 6.7% in the current quarter as compared to that of the previous quarter mainly due to a reduction in market demand in view of the global economic slowdown, coupled with the fluctuation in raw material (resins) prices during this period, which is pegged to movement in oil prices.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(b) **Profitability**

9 months 2011 vs 9 months 2010

	Group		Increase (Decrease)	
	9 months ended 30 Sep			
	2011	2010	\$'000	%
Fish	3,185	3,463	(278)	(8.0)
Accessories	1,476	2,080	(604)	(29.0)
Plastics	737	789	(52)	(6.6)
Unallocated corporate expenses	(1,720)	(1,756)	36	2.1
	3,678	4,576	(898)	(19.6)

Our operating profit before taxation decreased by \$0.9 million or 19.6% from approximately \$4.6 million for the nine months ended 30 September 2010 to \$3.7 million for the nine months ended 30 September 2011. Profit after taxation attributable to equity holders decreased by approximately \$1.0 million or 27.8% from \$3.6 million for the nine months ended 30 September 2010 to \$2.6 million for the 9 months ended 30 September 2011. Our fish business was the main profit contributor in the first 9 months of 2011.

3Q 2011 vs 3Q 2010

	Group		Increase (Decrease)	
	3Q	3Q		
	2011	2010	\$'000	%
Fish	658	1,006	(348)	(34.6)
Accessories	604	922	(318)	(34.5)
Plastics	249	306	(57)	(18.6)
Unallocated corporate expenses	(634)	(668)	34	5.1
	877	1,566	(689)	(44.0)

With the overall decrease in revenue in the 3rd quarter of 2011, our operating profit was approximately \$0.7 million or 44.0% lower than that of its corresponding period in 2010.

Fish

With the gradual decline in revenue contribution from the ornamental fish business as a result of the weakened overseas consumers' sentiments, its operating profit decreased by approximately \$0.3 million or 34.6% to \$0.7 million in the 3rd quarter of 2011 as compared to its corresponding period in 2010 accordingly. In addition, although the reliant of our Dragon Fish business continued to turn in healthy revenue, its profit margins were slightly dilapidated as a result of the difference in sales mix.

Accessories

The dip in profitability from our accessories business in the 3rd quarter of 2011 as compared to its corresponding period in 2010 was in line with the lower revenue contribution. In addition, our Guangzhou factory registered higher manufacturing and operating costs since the 2nd half of 2010, predominantly as a result of the continuous increase in material costs as well as wage cost following the salary revision so as to comply with the China "minimum wage" policy. This has sliced off some profitability of the accessories business, in spite of the better profit margins contribution from our export of accessories.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(b) **Profitability (cont'd)**

3Q 2011 vs 3Q 2010 (cont'd)

Plastics

Operating profit from our plastics activities decreased on a year-on-year basis primarily due to the reduction in revenue contribution as well as a slight erosion in profit margin as a result of increasing raw material prices (resins – which fluctuate with the oil prices).

Unallocated corporate expenses

These were staff costs and administrative expenses incurred in relation to the overseeing of both the Group's local and overseas operations.

3Q 2011 vs 2Q 2011

	<u>Group</u>		<u>Increase (Decrease)</u>	
	<u>3Q 2011</u>	<u>2Q 2011</u>	<u>\$'000</u>	<u>%</u>
Fish	658	1,183	(525)	(44.4)
Accessories	604	442	162	36.7
Plastics	249	229	20	8.7
Unallocated corporate expenses	(634)	(489)	(145)	(29.7)
	<u>877</u>	<u>1,365</u>	<u>(488)</u>	<u>(35.8)</u>

Fish

Other than the plunge in revenue contribution from our ornamental fish activities mentioned earlier, the dip in its operating profit by approximately \$0.5 million or 44.4 % in the current quarter as compared to the previous quarter was mainly as a result of the difference in sales mix of ornamental fish (including Dragon Fish). The weakening purchasing sentiments from the European markets has resulted in the demand for more “bread & butter” fish species, such as swordtail, platy, molly fish and common goldfish etc; instead of paying for higher margin fish species.

Accessories

Despite the drop in accessories revenue mainly from the reduction in production orders from Guangzhou's OEM customers as mentioned earlier, the improved profitability of the accessories business was as results of better margin yielded from the growth in our accessories export business from the 2nd quarter of 2011 to 3rd quarter of 2011.

Plastics

Notwithstanding the decrease in revenue in the current quarter, the improved profitability from our plastics business in the 3rd quarter of 2011 as compared to previous quarter as we managed to recoup our profit margin which was eroded as a result of fluctuation in raw material (resins) prices during the previous quarter.



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9 **VARIANCE FROM PROSPECT STATEMENT**

There is no variance from the previous prospect statement.

10 **PROSPECTS**

Our Group's growth in FY 2011 depends on:

- increase in our export of ornamental fish;
- escalation of our export of aquarium and pet accessories;
- sustained growth in our breeding and sales of Dragon Fish;
- increase in our profitability and cash flow generation; and
- expansion of our regional domestic distribution network.

The long term prospects of our Group are:

- to be the world's Number 1 ornamental fish exporter;
- to improve revenue contribution from pet accessories;
- to have the widest distribution network in China and India;
- to strengthen our commitment and continue our investment in research & development ("R&D");
- to be a debt-free and high dividend payout company;
- to be able to change in accordance with the changing environment and to continue to differentiate ourselves; and
- to stay focused in whatever we do.

The above-mentioned prospects of the Group, which we have previously announced in detail in our Full Year Financial Statements and Dividend Announcement dated 12 January 2011 and as set out on pages 24 to 25 of our Annual Report 2010, are expected to continue to apply in the next quarter.

Although the global economy has become more volatile and the European market has yet to recover from the 2008 financial crisis, our business model remains robust and is diversified. We will continue to build a resilient balance sheet, work steadily on generating and maintaining a strong cash flow from operating activities and on reducing our bank borrowings. Barring any unforeseen circumstances, we expect our Group to remain profitable in the 4th quarter of 2011.

11 **DIVIDEND**

No interim dividend for the 9 months ended 30 September 2011 is recommended (30/9/2010: Nil).

12 **RELATED PARTIES & INTERESTED PERSON TRANSACTIONS**

During the financial period, there were related parties transactions based on terms agreed between the parties as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2011</u>	<u>30 Sep 2010</u>	<u>30 Sep 2011</u>	<u>30 Sep 2010</u>
	\$	\$	\$	\$
Rental paid to a non-controlling shareholder of a subsidiary	26,080	28,934	-	-
Consultancy fees paid to a company in which a director has a substantial interest	8,300	8,300	8,300	8,300



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12 **RELATED PARTIES & INTERESTED PERSON TRANSACTIONS (cont'd)**

Except for the above, there was no other interested person transactions, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the 9 months ended 30 September 2011.

13 **SEGMENT INFORMATION**

(a) **Business segments**

The Group's operating segments are its strategic business units which offer different products and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Fish - includes fish farming, breeding, distribution and trading of ornamental fish;
- (ii) Accessories - includes manufacturing and distribution of aquarium and pet accessories;
- (iii) Plastics - includes manufacturing and distribution of plastic bags; and
- (iv) Others - includes Corporate Office and consolidation adjustments which are not directly attributable to a particular business segment above.



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13 **SEGMENT INFORMATION (cont'd)**

(a) **Business segments (cont'd)**

Group	9 months ended 30 Sep 2011				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	35,355	25,145	8,525	-	69,025
Inter-segment revenue	4,185	8,496	107	(12,788)	-
Total Revenue	39,540	33,641	8,632	(12,788)	69,025
Results					
EBITDA *	4,759	2,198	814	(1,617)	6,154
Depreciation and amortisation	(1,413)	(615)	(76)	-	(2,104)
Interest expense	(166)	(35)	(1)	(103)	(305)
Interest income	5	2	-	-	7
	3,185	1,550	737	(1,720)	3,752
Share of losses of associates	-	(74)	-	-	(74)
Profit before income tax	3,185	1,476	737	(1,720)	3,678
Income tax expense	(438)	(234)	(99)	-	(771)
Profit for the period	2,747	1,242	638	(1,720)	2,907
Net profit margin	7.8%	4.9%	7.5%		4.2%
Assets and Liabilities					
Segment assets	65,064	35,330	3,801	2,985	107,180
Investments in associates	-	1,030	-	-	1,030
Segment liabilities	15,688	4,666	1,830	12,386	34,570
Other Segment Information					
Expenditures for non-current assets **	716	427	68	-	1,211
Other non-cash items:					
Bad trade receivables					
- written off	-	1	-	-	1
- recovered	(5)	-	-	-	(5)
Gain on disposal of property, plant and equipment	-	(13)	(22)	-	(35)
Property, plant and equipment written off	2	1	1	-	4
Allowance for					
- doubtful trade receivables	151	110	63	-	324
- inventory obsolescence	-	115	-	-	115

* EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

** This includes capital expenditure and additions to other non-current assets.



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13 **SEGMENT INFORMATION (cont'd)**

(a) **Business segments (cont'd)**

Group	9 months ended 30 Sep 2010				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	35,022	25,295	8,607	-	68,924
Inter-segment revenue	2,672	9,319	143	(12,134)	-
Total Revenue	37,694	34,614	8,750	(12,134)	68,924
Results					
EBITDA *	5,097	2,820	882	(1,653)	7,146
Depreciation and amortisation	(1,396)	(630)	(93)	-	(2,119)
Interest expense	(240)	(44)	(1)	(103)	(388)
Interest income	2	-	1	-	3
	3,463	2,146	789	(1,756)	4,642
Share of losses of associates	-	(66)	-	-	(66)
Profit before income tax	3,463	2,080	789	(1,756)	4,576
Income tax expense	(416)	(245)	(105)	-	(766)
Profit for the period	3,047	1,835	684	(1,756)	3,810
Net profit margin	8.7%	7.3%	7.9%		5.5%
Assets and Liabilities					
Segment assets	67,072	34,166	4,013	750	106,001
Investment in associates	-	1,105	-	-	1,105
Segment liabilities	17,132	4,404	2,075	9,489	33,100
Other Segment Information					
Expenditures for non-current assets **	327	793	91	-	1,211
Other non-cash items:					
Bad trade receivables					
- written off	-	3	-	-	3
- recovered	(1)	-	-	-	(1)
Gain on disposal of property, plant and equipment					
	-	(15)	-	-	(15)
Property, plant and equipment written off					
	10	-	1	-	11
Allowance for (Write back of)					
- doubtful trade receivables	410	29	-	-	439
- inventory obsolescence	-	(48)	-	-	(48)

(b) **Geographical segments**

Geographical segments are analysed by four principal geographical areas, namely Singapore, Asia, Europe and Others (i.e. the rest of the world).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers which the sales are made to regardless of where the sales originate. Segment non-current assets and total assets are based on the geographical location of the assets.



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. : 199806124N)

13 **SEGMENT INFORMATION (cont'd)**

(b) **Geographical segments (cont'd)**

Group	Revenue		Segment non-current assets		Segment assets	
	9 months ended 30 Sep		9 months ended 30 Sep		9 months ended 30 Sep	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	21,394	22,044	9,199	9,659	36,061	33,329
Other Asian countries	33,119	28,048	35,581	39,716	70,403	71,906
Europe	7,524	10,407	716	766	716	766
Others	6,988	8,425	-	-	-	-
Total	69,025	68,924	45,496	50,141	107,180	106,001

(c) **Major customers**

There are no customers contributing more than 10 percent to the revenue of the Group.

14 **BREAKDOWN OF REVENUE**

Revenue (Group)	Fish \$'000	Accessories \$'000	Plastics \$'000	Total \$'000
3Q 2011				
Singapore (including domestic sales & sales to Singapore)	2,220	1,877	2,631	6,728
Overseas (including export to & sales in overseas)	8,470	6,275	49	14,794
Total revenue	10,690	8,152	2,680	21,522
3Q 2010				
Singapore	2,650	1,828	2,906	7,384
Overseas	8,691	6,819	59	15,569
Total revenue	11,341	8,647	2,965	22,953
9 months ended 30 Sep 2011				
Singapore (including domestic sales & sales to Singapore)	7,352	5,675	8,367	21,394
Overseas (including export to & sales in overseas)	28,003	19,470	158	47,631
Total revenue	35,355	25,145	8,525	69,025
9 months ended 30 Sep 2010				
Singapore	8,174	5,459	8,411	22,044
Overseas	26,848	19,836	196	46,880
Total revenue	35,022	25,295	8,607	68,924

BY ORDER OF THE BOARD

Kenny Yap Kim Lee
Executive Chairman and Managing Director
17 October 2011