



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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a) **INCOME STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014**

	Note	Group			Group		
		3 months ended 30 Jun		Change %	6 months ended 30 Jun		Change %
		2014 \$'000	2013 \$'000		2014 \$'000	2013 \$'000	
Revenue		21,069	21,199	(0.6)	41,767	41,412	0.9
Cost of sales		(14,770)	(15,303)	(3.5)	(29,266)	(29,408)	(0.5)
Gross profit		6,299	5,896	6.8	12,501	12,004	4.1
Other income	i	28	33	(15.2)	69	91	(24.2)
		6,327	5,929	6.7	12,570	12,095	3.9
Selling & distribution expenses	ii	(494)	(412)	19.9	(787)	(747)	5.4
General & administrative expenses	ii	(5,627)	(5,187)	8.5	(11,170)	(10,788)	3.5
Results from operating activities	iii	206	330	(37.6)	613	560	9.5
Financial income	iv	4	5	(20.0)	6	7	(14.3)
Financial expenses	iv	(64)	(61)	4.9	(126)	(125)	0.8
		146	274	(46.7)	493	442	11.5
Share of profits (losses) of associates		19	(24)	179.2	4	(33)	112.1
Profit before tax		165	250	(34.0)	497	409	21.5
Tax expense	v	(76)	(108)	(29.6)	(196)	(155)	26.5
Profit for the period		89	142	(37.3)	301	254	18.5
Attributable to:							
Equity holders of the Company		22	83	(73.5)	137	145	(5.5)
Non-controlling interests		67	59	13.6	164	109	50.5
Profit for the period		89	142	(37.3)	301	254	18.5
Gross profit margin		29.9%	27.8%		29.9%	29.0%	
Net profit margin		0.4%	0.7%		0.7%	0.6%	
Effective tax rate		46.1%	44.0%		37.0%	38.4%	



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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Jun</u>		<u>Change</u>	<u>6 months ended 30 Jun</u>		<u>Change</u>
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Profit for the period	89	142	(37.3)	301	254	18.5
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(53)	(130)	(59.2)	(48)	165	(129.1)
Other comprehensive income for the period, net of tax	(53)	(130)	(59.2)	(48)	165	(129.1)
Total comprehensive income for the period	36	12	200.0	253	419	(39.6)
Attributable to:						
Equity holders of the Company	(13)	12	(208.3)	97	273	(64.5)
Non-controlling interests	49	-	-	156	146	6.8
Total comprehensive income for the period	36	12	200.0	253	419	(39.6)

Notes to Income Statement

(i) **Other income**

Other income comprises:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>		<u>6 months ended 30 Jun</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Gain on disposal of property, plant and equipment	5	-	6	15
Sundry income	23	33	63	76
	28	33	69	91

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

The increase in operating expenses in the current quarter and for the half year ended 30 June 2014 was mainly due to higher personnel expenses incurred as a result of annual salary revision as well as the broad-spectrum increase in operating costs (e.g. utilities costs) as a result of elevated inflationary pressure. In addition, the Group registered an exchange loss in the current quarter as compared to an exchange gain in its corresponding period in 2013.



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

Notes to Income Statement (cont'd)

(iii) **Profit from operations**

This is determined after charging (crediting) the following:

	Group		Group	
	3 months ended 30 Jun	2013	6 months ended 30 Jun	2013
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration				
- auditors of the Company	24	23	51	41
- other auditors	2	1	4	3
Non-audit fees				
- other auditors	3	-	7	11
Directors' fees				
- directors of the Company	20	20	40	40
Directors' remuneration				
- directors of the Company	279	278	559	556
- directors of subsidiaries	112	109	226	219
Bad trade receivables written off	17	-	33	6
Depreciation of				
- property, plant and equipment	348	499	702	1,005
- brooder stocks	48	48	95	95
Property, plant and equipment written off	3	-	4	1
Allowance for				
- doubtful trade receivables	109	105	299	293
- inventory obsolescence	102	35	54	35
Operating lease expenses	312	323	625	625
Personnel expenses *	3,284	3,120	6,662	6,496
Exchange loss (gain), net	81	(387)	72	(552)
Change in fair value less estimated point-of-sale costs of breeder stocks	-	-	10	25

* Include directors' remuneration.

(iv) **Financial income**
Financial expenses

	Group		Group	
	3 months ended 30 Jun	2013	6 months ended 30 Jun	2013
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest expense				
- bank loans and overdrafts	50	49	100	94
- bills payable	8	5	14	15
- finance lease liabilities	6	7	12	16
	64	61	126	125
Interest income				
- bank deposits	(4)	(5)	(6)	(7)
Net financial expenses	60	56	120	118



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

Notes to Income Statement (cont'd)

(v) **Tax expense**

	Group		Group	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Current tax				
- current year	76	110	184	157
- (over) under provision in respect of prior year	-	(2)	12	(2)
	76	108	196	155

Despite the tax incentives granted for qualifying expenditures, the effective tax rate of 46.1% and 37.0% registered in the 2nd quarter of 2014 and half year ended 30 June 2014 respectively were higher than the amount obtained by applying the statutory tax rate of 17% on profit before tax mainly due to losses incurred by some entities 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.



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

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

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Equity attributable to equity holders of the Company				
Share capital	30,772,788	30,772,788	30,772,788	30,772,788
Reserves	18,378,841	18,736,426	10,964,125	11,548,179
	49,151,629	49,509,214	41,736,913	42,320,967
Non-Controlling Interests	1,487,662	1,485,309	-	-
Total Equity	50,639,291	50,994,523	41,736,913	42,320,967
Non-Current Assets				
Property, plant and equipment	7,136,202	7,061,647	5,180,210	4,977,460
Brooder stocks	8,649,832	8,744,582	8,649,832	8,744,582
Investments in subsidiaries	-	-	2,295,785	2,169,615
Investments in associates	614,852	611,213	815,200	815,200
Intangible assets	343,048	343,048	343,048	343,048
Other receivables	2,480,000	2,480,000	2,480,000	2,480,000
Current Assets				
Inventories	17,804,501	16,636,069	8,804,331	7,410,321
Breeder stocks	67,440	71,750	67,440	71,750
Trade receivables	26,281,314	27,413,331	20,733,727	21,278,890
Other receivables, deposits and prepayments	5,774,351	5,432,655	3,820,913	3,851,181
Due from				
- subsidiaries (trade)	-	-	6,451,294	6,380,750
- subsidiaries (non-trade)	-	-	1,278,078	1,171,377
- associate (trade)	629,361	380,001	629,361	380,001
Fixed deposits	-	25,446	-	25,446
Cash and bank balances	6,734,888	6,686,903	3,170,478	3,595,438
	57,291,855	56,646,155	44,955,622	44,165,154
Current Liabilities				
Trade payables	7,762,635	6,742,660	3,966,252	3,147,320
Bills payable to banks (unsecured)	787,408	700,138	787,408	638,929
Other payables and accruals	3,718,454	4,280,911	3,018,127	3,522,248
Due to				
- subsidiaries (trade)	-	-	255,764	133,615
- subsidiaries (non-trade)	-	-	1,789,247	1,239,277
Finance lease liabilities	129,590	131,955	44,681	50,516
Bank term loans	12,500,000	12,000,000	12,500,000	12,000,000
Current tax payable	412,234	432,500	207,457	207,457
	25,310,321	24,288,164	22,568,936	20,939,362
Net Current Assets	31,981,534	32,357,991	22,386,686	23,225,792
Non-Current Liabilities				
Finance lease liabilities	(156,177)	(193,958)	(33,848)	(54,730)
Deferred tax liabilities	(410,000)	(410,000)	(380,000)	(380,000)
Net Assets	50,639,291	50,994,523	41,736,913	42,320,967



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

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

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
Inventory turnover (days)	107	102	81	70
Trade receivables turnover (days)	114	120	150	153
Trade receivables turnover (days) (without GZQH balances)	73	75	80	82
Debt equity ratio	0.51	0.49	0.55	0.51

Note - With the disposal of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (“GZQH”), a former subsidiary, in December 2011, the Group’s trade balances with GZQH have been reclassified as trade receivables. Accordingly, it has resulted in a significant surge in trade receivables turnover days.

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 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	%	%	\$	\$
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	-	-
Beijing Qian Hu Aquarium & Pets Co., Ltd (People's Republic of China)	100	100	171,824	171,824
Shanghai Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	1,086,516	1,086,516
Guangzhou Qian Hu OF Feed Co., Ltd (People's Republic of China)	100 [#]	-	126,170	-
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
	Balance carried forward		1,914,326	1,788,156



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

Notes to Statements of Financial Position (cont'd)

Name of subsidiary	Effective equity interest held by the Group		Cost of investment by the Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	%	%	\$	\$
	Balance brought forward		1,914,326	1,788,156
P.T. Qian Hu Joe Aquatic Indonesia (Indonesia)	90	90	381,459	381,459
			2,295,785	2,169,615

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

Incorporated in the 2nd quarter of 2014 with a registered and paid up capital of US\$100K.

(2) The details of associates are as follows:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
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
	1,215,200	1,215,200	1,215,200	1,215,200
Share of post-acquisition losses	(378,569)	(382,208)	-	-
Impairment loss on investment	(221,779)	(221,779)	(400,000)	(400,000)
	614,852	611,213	815,200	815,200

Name of associate	Principal activities	Effective equity held by the Group	
		30 Jun 2014	31 Dec 2013
		%	%
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

The Group recorded an impairment loss relating to its investment in Arcadia Products PLC ("Arcadia") as the carrying amount of the investment was affected by the depreciation of Sterling Pound (£) against Singapore Dollar (S\$) since its acquisition. The Group will continue to equity account for its share of results in Arcadia.



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

Notes to Statements of Financial Position (cont'd)

- (3) Intangible assets comprise:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Trademarks/customer acquisition costs	921,497	937,041	921,497	921,497
Product listing fess	196,153	196,153	196,153	196,153
	<u>1,117,650</u>	<u>1,133,194</u>	<u>1,117,650</u>	<u>1,117,650</u>
Less accumulated amortisation	(774,602)	(790,146)	(774,602)	(774,602)
	<u>343,048</u>	<u>343,048</u>	<u>343,048</u>	<u>343,048</u>

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.

- (4) Other receivables (non-current portion) consist of the outstanding amounts due from the purchasers of Kim Kang of \$1,755,000 and the advances extended by the Company to Kim Kang before its disposal of \$725,000, totaling \$2.48 million.

In accordance with the Sale and Purchase Agreement ("SPA") entered into between the Company and the purchasers dated 17 October 2012, the total consideration of \$9.4 million arising from the disposal of Kim Kang is to be satisfied by \$3.9 million in cash and \$5.5 million of brooder stocks. Upon the execution of the SPA, a payment of 10% of the cash consideration, being \$390,000, has been made by the purchasers, together with the transfer of all brooder stocks. The balance of the cash portion of the consideration of \$3.51 million will be settled in four equal annual instalments, on the first, second, third and fourth anniversaries of the SPA date, of \$877,500 each.

In addition, the Company, being a shareholder of Kim Kang previously, had from time to time, given advances to Kim Kang. As at the SPA date, the total amount of the advances extended by the Company to Kim Kang was \$2 million. The Company has entered into an Advances Repayment Agreement dated 17 October 2012, such that upon the execution of the SPA, Kim Kang has repaid \$550,000 of the advances extended by the transfer of 100 pieces of brooder stocks. The balance of the advances of \$1.45 million will be settled in four equal annual instalments, on the first, second, third and fourth anniversaries of the SPA date, of \$362,500 each.

The first instalment in relation to the above, amounting to \$1.24 million, had been fully repaid in October 2013.



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

Notes to Statements of Financial Position (cont'd)

(5) Inventories comprise:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Fish	3,986,614	3,898,444	3,123,857	3,064,871
Accessories	13,484,154	12,371,636	6,124,474	4,735,450
Plastics products - raw materials	313,503	293,777	-	-
Plastics products - finished goods	558,020	556,002	-	-
	<u>18,342,291</u>	<u>17,119,859</u>	<u>9,248,331</u>	<u>7,800,321</u>
Less allowance for inventory obsolescence	(537,790)	(483,790)	(444,000)	(390,000)
	<u>17,804,501</u>	<u>16,636,069</u>	<u>8,804,331</u>	<u>7,410,321</u>

The increase in accessories inventory balance as at 30 June 2014 was mainly due to higher stock holding in relation to the new innovative accessories products launched in the current financial year.

(6) Trade receivables comprise:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Trade receivables	29,168,829	30,033,485	23,507,817	23,774,124
Less allowance for doubtful trade receivables	(2,887,515)	(2,620,154)	(2,774,090)	(2,495,234)
	<u>26,281,314</u>	<u>27,413,331</u>	<u>20,733,727</u>	<u>21,278,890</u>

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 June 2014. The trade receivables turnover days have remained relatively consistent for both reporting periods.

The Group has reclassified its trade balances with GZQH, a former subsidiary, as trade receivables following the disposal in December 2011. The recoverability of the amount due from GZQH is guaranteed by a major shareholder of the Company.



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

Notes to Statements of Financial Position (cont'd)

(7) Other receivables, deposits and prepayments comprise:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Other receivables *	1,645,527	1,610,759	1,459,141	1,418,794
Deposits	438,796	439,593	66,590	66,990
Prepayments	702,351	580,246	206,794	241,974
Advances to suppliers	2,539,356	2,335,312	2,073,672	2,101,030
Deposit for purchase of property, plant and equipment	425,712	451,870	14,716	22,393
Tax recoverable	22,609	14,875	-	-
	5,774,351	5,432,655	3,820,913	3,851,181

* include cash proceeds from the disposal of Kim Kang due from the purchasers amounting to \$877,500 and advances due from Kim Kang of \$362,500

The higher amount of other receivables, deposits and prepayments balances as at 30 June 2014 was mainly due to:-

- increase in prepayments made as we have made payments for certain expenses at the beginning of the year. Such amounts will be charged to the income statement throughout the current financial year.
- increase in advance payment made to suppliers for purchases which are due for delivery in the coming quarters.

(8) The increase in amount due from associate as at 30 June 2014 was mainly due to higher trade activities with the associate in the current quarter.

(9) Other payables and accruals comprise:

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Accrued operating expenses	404,984	401,018	312,969	285,524
Accrued staff costs	824,401	1,531,524	472,000	1,149,600
Other payables	2,034,520	1,627,152	1,804,185	1,398,462
Advance received from customers	454,549	221,217	428,973	188,662
Due to a major shareholder of the Company	-	500,000	-	500,000
	3,718,454	4,280,911	3,018,127	3,522,248

The reduction of other payables and accruals as at 30 June 2014 was mainly due to the decrease in accrued staff costs as a result of bonus payment made in January 2014. The reduction was partially offset by the increase in payments due to non-trade suppliers and advance received from customers.



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

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

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	\$	\$	\$	\$
Unsecured term loans (short-term)	<u>12,500,000</u>	<u>12,000,000</u>	<u>12,500,000</u>	<u>12,000,000</u>

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.23% to 1.68% (31/12/2013: 1.21% to 1.68%) per annum and are repayable within the next 12 months from the reporting date.

As at 30 June 2014, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$1.6 million (31/12/2013: \$1.6 million).



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

1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014**

	Group		Group	
	3 months ended 30 Jun 2014	2013	6 months ended 30 Jun 2014	2013
	\$	\$	\$	\$
Cash flows from operating activities				
Profit before tax	165,011	248,872	497,119	408,328
Adjustments for:				
Bad trade receivables written off	17,155	378	33,374	6,163
Depreciation of				
- property, plant and equipment	348,890	498,969	702,121	1,005,058
- brooder stocks	47,375	47,375	94,750	94,750
(Gain) Loss on disposal of property, plant and equipment	(5,440)	372	(6,088)	(14,547)
Property, plant and equipment written off	3,227	390	3,728	684
Change in fair value less estimated point-of-sale costs of breeder stocks	-	-	10,250	24,742
Allowance for				
- doubtful trade receivables	109,226	105,344	298,999	293,211
- inventory obsolescence	102,000	35,000	54,000	35,000
Share of (profits) losses of associates	(18,444)	23,965	(3,639)	33,390
Interest expense	64,097	61,870	126,214	125,506
Interest income	(4,064)	(5,772)	(6,368)	(7,317)
Operating profit before working capital changes	829,033	1,016,763	1,804,460	2,004,968
(Increase) Decrease in:				
Inventories	(1,512,835)	(600,426)	(1,177,807)	(508,794)
Breeder stocks	900	67,020	(5,940)	74,280
Trade receivables	76,203	(1,454,664)	700,841	(786,458)
Other receivables, deposits and prepayments	38,184	(770,578)	(331,364)	(1,426,098)
Due from associate (trade)	(267,125)	(207,434)	(249,360)	(147,450)
Increase (Decrease) in:				
Trade payables	1,183,905	2,211,715	1,058,849	2,441,919
Bills payable to banks	41,284	44,798	86,634	(54,236)
Other payables and accruals	(423,035)	279,130	(559,297)	(423,214)
Cash (used in) generated from operating activities	(33,486)	586,324	1,327,016	1,174,917
Tax paid	(149,288)	(215,315)	(222,613)	(199,820)
Net cash (used in) from operating activities	(182,774)	371,009	1,104,403	975,097
Cash flows from investing activities				
Purchase of property, plant and equipment	(353,963)	(272,830)	(751,954)	(380,652)
Proceeds from disposal of property, plant and equipment	5,431	12,370	7,046	54,223
Acquisition of additional interest in a subsidiary	-	-	-	(106,459)
Interest received	4,064	5,772	6,368	7,317
Net cash used in investing activities	(344,468)	(254,688)	(738,540)	(425,571)



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

1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014 (cont'd)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun 2014</u>	<u>2013</u>	<u>6 months ended 30 Jun 2014</u>	<u>2013</u>
	\$	\$	\$	\$
Cash flows from financing activities				
Drawdown of bank term loans	1,500,000	1,000,000	1,500,000	1,000,000
Repayment of				
- finance lease liabilities	(34,062)	(40,844)	(76,718)	(110,092)
- bank term loans	-	-	(1,000,000)	-
- loan from non-controlling shareholder of a subsidiary	-	-	-	(9,398)
Payment of dividends to				
- shareholders of the Company	(454,106)	(908,213)	(454,106)	(908,213)
- non-controlling shareholder of a subsidiary	-	(65,280)	(154,000)	(65,280)
Interest paid	(64,738)	(61,260)	(127,270)	(125,807)
Net cash from (used in) financing activities	<u>947,094</u>	<u>(75,597)</u>	<u>(312,094)</u>	<u>(218,790)</u>
Net increase in cash and cash equivalents	419,852	40,724	53,769	330,736
Cash and cash equivalents at beginning of period	6,336,505	8,672,200	6,712,349	8,272,353
Effect of exchange rate changes on cash balances held in foreign currencies	(21,469)	(19,588)	(31,230)	90,247
Cash and cash equivalents at end of period (Note i)	<u>6,734,888</u>	<u>8,693,336</u>	<u>6,734,888</u>	<u>8,693,336</u>

Notes to Statement of Cash Flows

(i) Cash and cash equivalents comprise:

	<u>Group</u>	
	<u>30 Jun 2014</u>	<u>30 Jun 2013</u>
	\$	\$
Fixed deposits	-	25,446
Cash and bank balances	6,734,888	8,667,890
	<u>6,734,888</u>	<u>8,693,336</u>

(ii) Despite registering a significant increase in inventory purchases made, the Group's **net cash from operating activities** for the half year ended 30 June 2014 was higher than its corresponding period in 2013 as we were able to realise our trade receivable balances into cash, as well as to better manage our cash flow by extending our credit terms with our regular suppliers for purchases made.

Net cash used in operating activities in the 2nd quarter of 2014 was mainly due to lower operating profit registered during the current quarter, coupled with the increase in inventory balances during the 2nd quarter of 2014.

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



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

1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2014 (cont'd)**

Notes to Statement of Cash Flows (cont'd)

During the half year ended 30 June 2014, the net cash proceeds received from banks borrowings were mainly utilised for the 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 2014, resulted in **net cash used in financing activities**.

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 2013	30,772,788	22,343,652	(587,044)	52,529,396	1,590,439	54,119,835
Total comprehensive income for the year						
Profit for the year	-	301,675	-	301,675	261,420	563,095
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(143,112)	(143,112)	(45,454)	(188,566)
Total other comprehensive income	-	-	(143,112)	(143,112)	(45,454)	(188,566)
Total comprehensive income for the year	-	301,675	(143,112)	158,563	215,966	374,529
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Payment of dividends	-	(3,178,745)	-	(3,178,745)	-	(3,178,745)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(216,720)	(216,720)
Total contributions by and distributions to owners	-	(3,178,745)	-	(3,178,745)	(216,720)	(3,395,465)
Changes in ownership interests in subsidiaries						
Acquisition of additional interest in a subsidiary	-	-	-	-	(104,376)	(104,376)
Total changes in ownership interests in subsidiaries	-	-	-	-	(104,376)	(104,376)
Total transactions with owners	-	(3,178,745)	-	(3,178,745)	(321,096)	(3,499,841)
Balance at 31 Dec 2013	30,772,788	19,466,582	(730,156)	49,509,214	1,485,309	50,994,523



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

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

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 2014	30,772,788	19,466,582	(730,156)	49,509,214	1,485,309	50,994,523
Total comprehensive income for the period						
Profit for the period	-	137,381	-	137,381	163,610	300,991
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(40,860)	(40,860)	(7,257)	(48,117)
Total other comprehensive income	-	-	(40,860)	(40,860)	(7,257)	(48,117)
Total comprehensive income for the period	-	137,381	(40,860)	96,521	156,353	252,874
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Payment of dividends	-	(454,106)	-	(454,106)	-	(454,106)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(154,000)	(154,000)
Total transactions with owners	-	(454,106)	-	(454,106)	(154,000)	(608,106)
Balance at 30 Jun 2014	30,772,788	19,149,857	(771,016)	49,151,629	1,487,662	50,639,291

Company	Share capital	Accumulated profits	Currency translation reserve	Total
	\$	\$	\$	\$
Balance at 1 Jan 2013	30,772,788	14,478,844	-	45,251,632
Total comprehensive income for the year				
Profit for the year	-	274,573	-	274,573
Other comprehensive income				
Translation differences relating to financial statements of foreign operations, net of tax	-	-	(26,493)	(26,493)
Total other comprehensive income	-	-	(26,493)	(26,493)
Total comprehensive income for the year	-	274,573	(26,493)	248,080
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Payment of dividends	-	(3,178,745)	-	(3,178,745)
Total transactions with owners	-	(3,178,745)	-	(3,178,745)
Balance at 31 Dec 2013	30,772,788	11,574,672	(26,493)	42,320,967



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

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

Company	Share capital	Accumulated profits	Currency translation reserve	Total
	\$	\$	\$	\$
Balance at 1 Jan 2014	30,772,788	11,574,672	(26,493)	42,320,967
Total comprehensive income for the period				
Loss for the period	-	(147,739)	-	(147,739)
Other comprehensive income				
Translation differences relating to financial statements of foreign operations, net of tax	-	-	17,791	17,791
Total other comprehensive income	-	-	17,791	17,791
Total comprehensive income for the period	-	(147,739)	17,791	(129,948)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Payment of dividends	-	(454,106)	-	(454,106)
Total transactions with owners	-	(454,106)	-	(454,106)
Balance at 30 Jun 2014	30,772,788	10,972,827	(8,702)	41,736,913

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 2014 and 30 Jun 2014	<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 2013.

There were no outstanding convertibles as at 30 June 2014 (30/6/2013: Nil).

The Company did not hold any treasury shares as at 30 June 2014 (30/06/2013: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2014.



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

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 second quarter and half year ended 30 June 2014 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
14 July 2014

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 2013.

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 2014.

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>		<u>6 months ended 30 Jun</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Earnings Per Ordinary Share (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	-	0.02	0.03	0.03
- on a fully diluted basis (cents)	-	0.02	0.03	0.03

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 (30/6/2013: 454,106,350).

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



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

7 **NET ASSET VALUE PER SHARE**

	Group		Company	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
Net asset value per share based on existing issued share capital as at the respective dates (cents)	11.15	11.23	9.19	9.32

Net asset value per share is computed based on the number of shares in issue as at 30 June 2014 of 454,106,350 (31/12/2013: 454,106,350).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

6 months 2014 vs 6 months 2013

	Group		Increase (Decrease)	
	6 months ended 30 Jun 2014	2013	\$'000	%
	\$'000	\$'000		
Fish	18,310	17,278	1,032	6.0
Accessories	18,250	17,640	610	3.5
Plastics	5,207	6,494	(1,287)	(19.8)
	41,767	41,412	355	0.9

For the 6 months ended 30 June 2014, the ornamental fish and accessories activities continued to be our core business segments, which together accounted for 87.5% of the total revenue. Our revenue increased by approximately \$0.4 million or 0.9% from \$41.4 million for the 6 months ended 30 June 2013 to \$41.8 million for the 6 months ended 30 June 2014.

On a geographical basis, revenue from Singapore dipped by 7.8% while revenue from overseas grew by approximately 4.5% in the 1st half of 2014 as compared to its corresponding period in 2013.



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

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

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

2Q 2014 vs 2Q 2013

	Group		Increase (Decrease) \$'000 %	
	2Q 2014 \$'000	2Q 2013 \$'000		
Fish	9,185	8,848	337	3.8
Accessories	9,347	8,697	650	7.5
Plastics	2,537	3,654	(1,117)	(30.6)
	21,069	21,199	(130)	(0.6)

Although the revenue from our ornamental fish and accessories activities registered growth of approximately \$0.3 million or 3.8% and \$0.7 million or 7.5% respectively, in the 2nd quarter of 2014 as compared to its corresponding period in 2013, the substantial reduction in our plastic revenue by \$1.1 million or 30.6% has resulted in a marginal decrease in our overall revenue by approximately \$0.1 million or 0.6% in the current quarter as compared to its corresponding period in 2013.

Fish

Following the stabilisation of the selling prices of Dragon Fish towards the end of the 1st half of 2013, with our enhanced marketing efforts, we managed to sell more quantities of these fish since the 2nd half of 2013 mainly to our Northeast Asian markets, especially China, where we have a robust market share, a widening distribution network and a strong brand identity. We envisage that the Group should see a sustainable growth in its ornamental fish's business in the coming quarters.

In addition, the revenue contribution from our newly incorporated subsidiary in Indonesia, as well as our continuous efforts to increase our export of ornamental fish to more customers and countries around the world from Singapore, Malaysia and Thailand have given rise to the stable ornamental fish revenue contribution in the current quarter.

Accessories

During the 2nd quarter of 2014, our accessories export business continued its leverage on the Group's existing overseas distribution bases & network and infrastructure available to explore more untapped markets with growth potential. The increase in revenue contribution registered by this business segment of approximately \$0.7 million or 7.5% was mainly a result of a difference in sales mix, as well as our conscientious efforts made to focus on selling more of our proprietary brand of innovative products.

Plastics

Revenue from our plastics activities registered a considerable decrease of \$1.1 million or 30.6% in the 2nd quarter of 2014 as compared to the corresponding period in 2013 as its revenue contribution was escalated by a one-off increase in orders from a major customer in the 2nd quarter of 2013. In addition, the decline was due to a reduction in market demand as a result of revision in selling prices of our plastic products with effect from January 2014 in view of the increase in raw material (resins) prices.



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

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

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

2Q 2014 vs 1Q 2014

	<u>Group</u>		<u>Increase</u>	
	<u>2Q</u>	<u>1Q</u>	<u>(Decrease)</u>	
	<u>2014</u>	<u>2014</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	9,185	9,125	60	0.7
Accessories	9,347	8,903	444	5.0
Plastics	2,537	2,670	(133)	(5.0)
	<u>21,069</u>	<u>20,698</u>	<u>371</u>	<u>1.8</u>

Our revenue increased by approximately \$0.4 million or 1.8% from \$20.7 million in 1st quarter 2014 to \$21.1 million in the 2nd quarter of 2014 mainly due to the increase in accessories revenue during the current quarter as compared to the previous quarter.

Fish

Revenue from ornamental fish business remained consistent in the current quarter, comparable to that of the previous quarter in 2014.

Accessories

Revenue from our accessories activities continued its growth momentum into the 2nd quarter of 2014. The increase in revenue from our accessories business on a quarter-on-quarter basis was mainly a result of better revenue contribution from our export sales, as well as our conscientious efforts made to focus on selling more of our proprietary brand of innovative products.

Plastics

As mentioned above, the decrease in plastic revenue by approximately \$0.1 million or 5.0% to \$2.5 million on a quarter-on-quarter basis was due to a reduction in market demand as a result of revision in selling prices of our plastic products with effect from January 2014 in view of the increase in raw material (resins) prices.



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

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

(b) **Profitability**

6 months 2014 vs 6 months 2013

	Group		Increase (Decrease)	
	6 months ended 30 Jun			
	2014	2013	\$'000	%
Fish	543	347	196	56.5
Accessories	820	782	38	4.9
Plastics	214	400	(186)	(46.5)
Unallocated corporate expenses	(1,080)	(1,120)	40	3.6
	497	409	88	21.5

In line with the higher revenue contribution registered, our overall operating profit before tax increased marginally during the half year ended 30 June 2014.

2Q 2014 vs 2Q 2013

	Group		Increase (Decrease)	
	2Q	2Q		
	2014	2013	\$'000	%
Fish	239	226	13	5.8
Accessories	382	364	18	4.9
Plastics	81	168	(87)	(51.8)
Unallocated corporate expenses	(537)	(508)	(29)	(5.7)
	165	250	(85)	(34.0)

Fish

The relatively consistent revenue registered by the ornamental fish business in the 2nd quarter of 2014 as compared to its corresponding period in 2013 give rise to the flat growth in profitability.

Accessories

Notwithstanding the higher revenue contribution from our accessories export business registered in the 2nd quarter of 2014, the operating profit of \$0.4 million registered was comparable to that of the previous quarter. This is mainly due to the difference in sales mix, as well as our on-going efforts to capture more sales, which has affected the profit margin of our accessories business in the current quarter.

Plastics

During the current quarter, the profitability of our plastics business was affected by the higher raw material (resins) prices, coupled with the gradual increase in overall operational costs and the lower revenue contribution from this business segment.

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.



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

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

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

2Q 2014 vs 1Q 2014

	<u>Group</u>		Increase (Decrease)	
	2Q 2014 \$'000	1Q 2014 \$'000	\$'000	%
Fish	239	304	(65)	(21.4)
Accessories	382	438	(56)	(12.8)
Plastics	81	133	(52)	(39.1)
Unallocated corporate expenses	(537)	(543)	6	1.1
	165	332	(167)	(50.3)

Fish

With the relative consistent revenue contribution in the current quarter as compared to the previous quarter, the profitability of one of our overseas subsidiary was trimmed down by the adverse impact on exchange rates fluctuation during the current quarter.

Accessories

Despite the increase in revenue contribution from our accessories export business registered in the 2nd quarter of 2014, the difference in sales mix, as well as our on-going efforts to capture more sales has affected the profit margins of our accessories business in the current quarter as compared to the previous quarter.

Plastics

The lower revenue registered by the plastic business in the current quarter had given rise to the decline in profitability from the 1st quarter of 2014 to 2nd quarter of 2014.

9 **VARIANCE FROM PROSPECT STATEMENT**

There is no variance from the previous prospect statement.

10 **PROSPECTS**

The prospects of our Group are:

- to be the world's Number 1 ornamental fish exporter;
- to improve productivity using technology and automation;
- to widen our distribution network and strengthen our market capability;
- to reinforce our commitment in research & development ("R&D") and enhance growth by means of innovation; and
- to build a company that last through generations.

The above-mentioned prospects of the Group were announced in detail in our Full Year Financial Statements and Dividend Announcement dated 10 January 2014.



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

10 **PROSPECTS (cont'd)**

Our business model remains robust and the diversity of our business has put us in good standing. We will be more aggressive in the strengthening of our fundamentals and financial positions as well as in enhancing our ability to generate cash. In addition, we will continue to leverage on innovation and advance technology to transform Qian Hu into a next generation ornamental fish company with a strong pipeline of new innovative accessories products. We believe that by doing so, it will enable Qian Hu to be more resilient and sustainable in the long run. Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable in the current financial year.

11 **DIVIDEND**

No interim dividend for the half year ended 30 June 2014 is recommended.

12 **RELATED PARTIES & INTERESTED PERSON TRANSACTIONS**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

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 Jun 2014</u>	<u>30 Jun 2013</u>	<u>30 Jun 2014</u>	<u>30 Jun 2013</u>
	\$	\$	\$	\$
Fees paid to a company in which a director has an interest	8,500	9,700	8,500	9,700
Guarantee fee paid to a major shareholder of the Company *	23,680	26,462	23,680	26,462
Consultancy fees paid to a company in which a director has a substantial interest	8,300	-	8,300	-

* *The Group and the Company are charged a guarantee fee of 0.5% per annum on the average balance of the outstanding amounts due from GZQH, a former subsidiary. The guarantee fee is payable to a major shareholder of the Company, for guaranteeing the payment of the outstanding amounts.*

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the second quarter and the half year ended 30 June 2014.

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.



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

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

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

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.

Group	6 months ended 30 Jun 2014				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	18,310	18,250	5,207	-	41,767
Inter-segment revenue	811	3,059	78	(3,948)	-
Total Revenue	19,121	21,309	5,285	(3,948)	41,767
Results					
EBITDA *	1,014	1,129	253	(986)	1,410
Depreciation and amortisation	(463)	(295)	(39)	-	(797)
Interest expense	(13)	(19)	-	(94)	(126)
Interest income	5	1	-	-	6
	543	816	214	(1,080)	493
Share of profits of associates	-	4	-	-	4
Profit before tax	543	820	214	(1,080)	497
Tax expense	(147)	(39)	(10)	-	(196)
Profit for the period	396	781	204	(1,080)	301
Net profit margin	2.2%	4.3%	3.9%		0.7%
Assets and Liabilities					
Segment assets	30,817	39,261	3,549	2,889	76,516
Investments in associates	-	615	-	-	615
Segment liabilities	4,957	6,304	1,854	12,762	25,877
Other Segment Information					
Expenditures for non-current assets **	575	159	55	-	789
Other non-cash items:					
Bad trade receivables written off	25	8	-	-	33
Gain on disposal of property, plant and equipment	-	(6)	-	-	(6)
Property, plant and equipment written off	-	4	-	-	4
Allowance for					
- doubtful trade receivables	261	34	4	-	299
- inventory obsolescence	-	54	-	-	54
Change in fair value less estimated point-of-sale costs of breeder stocks	10	-	-	-	10

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

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



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

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

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

Group	6 months ended 30 Jun 2013				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	17,278	17,640	6,494	-	41,412
Inter-segment revenue	886	3,980	81	(4,947)	-
Total Revenue	18,164	21,620	6,575	(4,947)	41,412
Results					
EBITDA *	1,014	1,231	443	(1,028)	1,660
Depreciation and amortisation	(662)	(396)	(42)	-	(1,100)
Interest expense	(11)	(21)	(1)	(92)	(125)
Interest income	6	1	-	-	7
	347	815	400	(1,120)	442
Share of losses of associates	-	(33)	-	-	(33)
Profit before tax	347	782	400	(1,120)	409
Tax expense	(61)	(81)	(13)	-	(155)
Profit for the period	286	701	387	(1,120)	254
Net profit margin	1.7%	4.0%	6.0%		0.6%
Assets and Liabilities					
Segment assets	31,614	39,421	4,785	4,415	80,235
Investments in associates	-	675	-	-	675
Segment liabilities	4,795	5,931	2,749	13,299	26,774
Other Segment Information					
Expenditures for non-current assets **	166	205	66	-	437
Other non-cash items:					
Bad trade receivables written off	-	6	-	-	6
Loss (Gain) on disposal of property, plant and equipment	3	(16)	(2)	-	(15)
Property, plant and equipment written off	-	1	-	-	1
Allowance for					
- doubtful trade receivables	247	46	-	-	293
- inventory obsolescence	-	35	-	-	35
Change in fair value less estimated point-of-sale costs of breeder stocks	25	-	-	-	25

(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	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	11,440	12,404	16,618	17,688	56,874	61,193
Other Asian countries	22,433	20,545	2,265	2,055	19,301	18,646
Europe	4,692	4,497	341	396	341	396
Others	3,202	3,966	-	-	-	-
Total	41,767	41,412	19,224	20,139	76,516	80,235

(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
2Q 2014				
Singapore (including domestic sales & sales to Singapore)	1,126	1,950	2,521	5,597
Overseas (including export to & sales in overseas)	8,059	7,397	16	15,472
Total revenue	9,185	9,347	2,537	21,069
2Q 2013				
Singapore	1,083	1,871	3,625	6,579
Overseas	7,765	6,826	29	14,620
Total revenue	8,848	8,697	3,654	21,199
6 months ended 30 Jun 2014				
Singapore (including domestic sales & sales to Singapore)	2,319	3,976	5,145	11,440
Overseas (including export to & sales in overseas)	15,991	14,274	62	30,327
Total revenue	18,310	18,250	5,207	41,767
6 months ended 30 Jun 2013				
Singapore	2,348	3,724	6,332	12,404
Overseas	14,930	13,916	162	29,008
Total revenue	17,278	17,640	6,494	41,412

BY ORDER OF THE BOARD

Kenny Yap Kim Lee
Executive Chairman and Managing Director
14 July 2014