



**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 2014**

		Group			Group		
		3 months ended 30 Sep		Change	9 months ended 30 Sep		Change
		2014	2013		2014	2013	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		20,461	20,495	(0.2)	62,228	61,907	0.5
Cost of sales		(14,557)	(14,289)	1.9	(43,823)	(43,697)	0.3
<b>Gross profit</b>		<b>5,904</b>	<b>6,206</b>	<b>(4.9)</b>	<b>18,405</b>	<b>18,210</b>	<b>1.1</b>
Other income	i	34	71	(52.1)	103	162	(36.4)
		<b>5,938</b>	<b>6,277</b>	<b>(5.4)</b>	<b>18,508</b>	<b>18,372</b>	<b>0.7</b>
Selling & distribution expenses	ii	(322)	(389)	(17.2)	(1,109)	(1,136)	(2.4)
General & administrative expenses	ii	(5,324)	(5,518)	(3.5)	(16,494)	(16,306)	1.2
<b>Results from operating activities</b>	iii	<b>292</b>	<b>370</b>	<b>(21.1)</b>	<b>905</b>	<b>930</b>	<b>(2.7)</b>
Financial income	iv	1	2	(50.0)	7	9	(22.2)
Financial expenses	iv	(66)	(60)	10.0	(192)	(185)	3.8
		<b>227</b>	<b>312</b>	<b>(27.2)</b>	<b>720</b>	<b>754</b>	<b>(4.5)</b>
Share of profits (losses) of associates		16	(40)	140.0	20	(73)	127.4
<b>Profit before tax</b>		<b>243</b>	<b>272</b>	<b>(10.7)</b>	<b>740</b>	<b>681</b>	<b>8.7</b>
Tax expense	v	(91)	(106)	(14.2)	(287)	(261)	10.0
<b>Profit for the period</b>		<b>152</b>	<b>166</b>	<b>(8.4)</b>	<b>453</b>	<b>420</b>	<b>7.9</b>
Attributable to:							
<b>Equity holders of the Company</b>		<b>79</b>	<b>88</b>	<b>(10.2)</b>	<b>216</b>	<b>233</b>	<b>(7.3)</b>
Non-controlling interests		73	78	(6.4)	237	187	26.7
<b>Profit for the period</b>		<b>152</b>	<b>166</b>	<b>(8.4)</b>	<b>453</b>	<b>420</b>	<b>7.9</b>
Gross profit margin		28.9%	30.3%		29.6%	29.4%	
Net profit margin		0.7%	0.8%		0.7%	0.7%	
Effective tax rate		37.4%	34.6%		37.2%	36.9%	



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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Sep</u>		<u>Change</u>	<u>3 months ended 30 Sep</u>		<u>Change</u>
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>	152	166	(8.4)	453	420	7.9
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	130	(225)	157.8	82	(60)	236.7
<b>Other comprehensive income for the period, net of tax</b>	130	(225)	157.8	82	(60)	236.7
<b>Total comprehensive income for the period</b>	282	(59)	578.0	535	360	48.6
Attributable to:						
<b>Equity holders of the Company</b>	<b>178</b>	<b>(107)</b>	<b>266.4</b>	<b>275</b>	<b>166</b>	<b>65.7</b>
Non-controlling interests	104	48	116.7	260	194	34.0
<b>Total comprehensive income for the period</b>	282	(59)	578.0	535	360	48.6

**Notes to Income Statement**

(i) **Other income**

Other income comprises:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of property, plant and equipment	5	21	11	36
Sundry income	29	50	92	126
	34	71	103	162

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

During the 3<sup>rd</sup> quarter of 2014 and the nine months ended 30 September 2014, the Group incurred higher personnel expenses 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. The increase was partially offset by lower depreciation charge during the current financial year, with the leasehold buildings in Singapore being fully depreciated in FY 2013, as well as the Group's conscientious effort made to contain operating costs, which was in accordance with the Group's objective to be more productive and efficient in the long run.



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**Notes to Income Statement (cont'd)**

**(iii) Profit from operations**

This is determined after charging (crediting) the following:

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Sep</b>	<b>3 months ended 30 Sep</b>	<b>9 months ended 30 Sep</b>	<b>9 months ended 30 Sep</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration				
- auditors of the Company	28	18	79	59
- other auditors	4	6	8	9
Non-audit fees				
- other auditors	11	6	18	17
Directors' fees				
- directors of the Company	20	20	60	60
Directors' remuneration				
- directors of the Company	280	278	839	834
- directors of subsidiaries	113	108	339	327
Bad trade receivables written off	25	28	58	35
Depreciation of				
- property, plant and equipment	354	490	1,056	1,495
- brooder stocks	47	47	142	142
Property, plant and equipment written off	1	1	5	2
Allowance for (Write back of allowance for)				
- doubtful trade receivables	123	247	422	540
- inventory obsolescence	(54)	12	-	47
Operating lease expenses	328	332	953	957
Personnel expenses *	3,330	3,176	9,992	9,672
Exchange gain, net	(213)	(100)	(141)	(652)
Change in fair value less estimated point-of-sale costs of breeder stocks	10	-	20	25

\* Include directors' remuneration.

**(iv) Financial income  
Financial expenses**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Sep</b>	<b>3 months ended 30 Sep</b>	<b>9 months ended 30 Sep</b>	<b>9 months ended 30 Sep</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest expense				
- bank loans and overdrafts	49	48	149	142
- bills payable	9	6	23	21
- finance lease liabilities	8	6	20	22
	<b>66</b>	<b>60</b>	<b>192</b>	<b>185</b>
Interest income				
- bank deposits	(1)	(2)	(7)	(9)
Net financial expenses	<b>65</b>	<b>58</b>	<b>185</b>	<b>176</b>

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**Notes to Income Statement (cont'd)****(v) Tax expense**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>	<u>3 months ended 30 Sep</u>	<u>9 months ended 30 Sep</u>	<u>9 months ended 30 Sep</u>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	\$'000	\$'000	\$'000	\$'000
Current year				
- current year	91	94	275	251
- under provision in respect of prior year	-	12	12	10
	<u>91</u>	<u>106</u>	<u>287</u>	<u>261</u>

Despite the tax incentives granted for qualifying expenditures, the effective tax rate of 37.4% and 37.2% registered in the 3<sup>rd</sup> quarter of 2014 and nine months ended 30 September 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.



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

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>
	\$	\$	\$	\$
<b>Equity attributable to equity holders of the Company</b>				
Share capital	30,772,788	30,772,788	30,772,788	30,772,788
Reserves	18,557,415	18,736,426	11,671,181	11,548,179
	<u>49,330,203</u>	<u>49,509,214</u>	<u>42,443,969</u>	<u>42,320,967</u>
<b>Non-Controlling Interests</b>	1,540,539	1,485,309	-	-
<b>Total Equity</b>	<u>50,870,742</u>	<u>50,994,523</u>	<u>42,443,969</u>	<u>42,320,967</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	7,446,673	7,061,647	5,083,293	4,977,460
Brooder stocks	8,602,457	8,744,582	8,602,457	8,744,582
Investments in subsidiaries	-	-	2,295,785	2,169,615
Investments in associates	631,574	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
<b>Current Assets</b>				
Inventories	18,168,585	16,636,069	8,478,621	7,410,321
Breeder stocks	47,140	71,750	47,140	71,750
Trade receivables	25,463,784	27,413,331	19,206,930	21,278,890
Other receivables, deposits and prepayments	5,613,397	5,432,655	3,770,759	3,851,181
Due from				
- subsidiaries (trade)	-	-	6,900,460	6,380,750
- subsidiaries (non-trade)	-	-	1,276,078	1,171,377
- associate (trade)	860,645	380,001	860,645	380,001
Fixed deposits	-	25,446	-	25,446
Cash and bank balances	8,120,965	6,686,903	4,667,885	3,595,438
	<u>58,274,516</u>	<u>56,646,155</u>	<u>45,208,518</u>	<u>44,165,154</u>
<b>Current Liabilities</b>				
Trade payables	7,916,256	6,742,660	3,773,351	3,147,320
Bills payable to banks (unsecured)	649,193	700,138	592,370	638,929
Other payables and accruals	4,267,317	4,280,911	3,038,038	3,522,248
Due to				
- subsidiaries (trade)	-	-	266,322	133,615
- subsidiaries (non-trade)	-	-	1,060,457	1,239,277
Finance lease liabilities	131,956	131,955	42,182	50,516
Bank term loans	13,000,000	12,000,000	13,000,000	12,000,000
Current tax payable	388,175	432,500	207,457	207,457
	<u>26,352,897</u>	<u>24,288,164</u>	<u>21,980,177</u>	<u>20,939,362</u>
<b>Net Current Assets</b>	31,921,619	32,357,991	23,228,341	23,225,792
<b>Non-Current Liabilities</b>				
Finance lease liabilities	(144,629)	(193,958)	(24,155)	(54,730)
Deferred tax liabilities	(410,000)	(410,000)	(380,000)	(380,000)
<b>Net Assets</b>	<u>50,870,742</u>	<u>50,994,523</u>	<u>42,443,969</u>	<u>42,320,967</u>



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

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>
Inventory turnover (days)	109	102	80	70
Trade receivables turnover (days)	112	120	142	153
Trade receivables turnover (days) (without GZQH balances)	73	75	77	82
Debt equity ratio	0.53	0.49	0.53	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 Sep 2014	31 Dec 2013	30 Sep 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



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**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 Sep 2014	31 Dec 2013	30 Sep 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
			<b>2,295,785</b>	<b>2,169,615</b>

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

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

(2) The details of associates are as follows:

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 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
	<b>1,215,200</b>	<b>1,215,200</b>	<b>1,215,200</b>	<b>1,215,200</b>
Share of post-acquisition losses	(361,847)	(382,208)	-	-
Impairment loss on investment	(221,779)	(221,779)	(400,000)	(400,000)
	<b>631,574</b>	<b>611,213</b>	<b>815,200</b>	<b>815,200</b>

Name of associate	Principal activities	Effective equity held by the Group	
		30 Sep 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.



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**Notes to Statements of Financial Position (cont'd)**

- (3) Intangible assets comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>
	\$	\$	\$	\$
Trademarks/customer acquisition costs	921,497	937,041	921,497	921,497
Product listing fees	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, totalling \$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.





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**Notes to Statements of Financial Position (cont'd)**

(5) Inventories comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>
	\$	\$	\$	\$
Fish	4,337,132	3,898,444	3,259,224	3,064,871
Accessories	13,431,162	12,371,636	5,609,397	4,735,450
Plastics products - raw materials	286,169	293,777	-	-
Plastics products - finished goods	597,912	556,002	-	-
	<u>18,652,375</u>	<u>17,119,859</u>	<u>8,868,621</u>	<u>7,800,321</u>
Less allowance for inventory obsolescence	(483,790)	(483,790)	(390,000)	(390,000)
	<u>18,168,585</u>	<u>16,636,069</u>	<u>8,478,621</u>	<u>7,410,321</u>

The increase in accessories inventory balance as at 30 September 2014 was mainly due to higher stock holding in relation to the new innovative accessories products launched in the current financial year. In addition, certain accessories products were stocked up in view of the proposed increase in prices by suppliers.

(6) Trade receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>
	\$	\$	\$	\$
Trade receivables	28,474,370	30,033,485	22,101,055	23,774,124
Less allowance for doubtful trade receivables	(3,010,586)	(2,620,154)	(2,894,125)	(2,495,234)
	<u>25,463,784</u>	<u>27,413,331</u>	<u>19,206,930</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 September 2014.

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.



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**Notes to Statements of Financial Position (cont'd)**

(7) Other receivables, deposits and prepayments comprise:

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$	\$	\$	\$
Other receivables *	1,607,959	1,610,759	1,470,475	1,418,794
Deposits	340,356	439,593	67,010	66,990
Prepayments	694,977	580,246	272,589	241,974
Advances to suppliers	2,495,005	2,335,312	1,945,969	2,101,030
Deposits for purchase of property, plant and equipment	436,542	451,870	14,716	22,393
Tax recoverable	38,558	14,875	-	-
	5,613,397	5,432,655	3,770,759	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 September 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 September 2014 was mainly due to higher trade activities with the associate in the current quarter.

(9) Other payables and accruals comprise:

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$	\$	\$	\$
Accrued operating expenses	247,026	401,018	146,827	285,524
Accrued staff costs	1,029,755	1,531,524	631,837	1,149,600
Other payables	2,720,941	1,627,152	2,075,360	1,398,462
Advance received from customers	269,595	221,217	184,014	188,662
Due to a major shareholder of the Company	-	500,000	-	500,000
	4,267,317	4,280,911	3,038,038	3,522,248

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



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

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>
	\$	\$	\$	\$
Unsecured term loans (short-term)	13,000,000	12,000,000	13,000,000	12,000,000

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.25% 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 September 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**

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1(c) **STATEMENT OF CASHFLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2014**

	Group		Group	
	3 months ended 30 Sep		9 months ended 30 Sep	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Profit before tax	242,991	272,865	740,110	681,193
Adjustments for:				
Bad trade receivables written off	24,877	28,462	58,251	34,625
Depreciation of				
- property, plant and equipment	353,956	489,617	1,056,077	1,494,675
- brooder stocks	47,375	47,375	142,125	142,125
Gain on disposal of property, plant and equipment	(5,403)	(20,978)	(11,491)	(35,525)
Property, plant and equipment written off	1,275	1,224	5,003	1,908
Change in fair value less estimated point-of-sale costs of breeder stocks	10,200	-	20,450	24,742
Allowance for (Write back of allowance for)				
- doubtful trade receivables	123,071	247,131	422,070	540,342
- inventory obsolescence	(54,000)	12,000	-	47,000
Share of (profits) losses of associates	(16,722)	39,209	(20,361)	72,599
Interest expense	66,587	59,700	192,801	185,206
Interest income	(1,124)	(2,317)	(7,492)	(9,634)
<b>Operating profit before working capital changes</b>	793,083	1,174,288	2,597,543	3,179,256
(Increase) Decrease in:				
Inventories	(306,273)	(1,538,519)	(1,484,080)	(2,047,313)
Breeder stocks	10,100	25,550	4,160	99,830
Trade receivables	777,997	111,019	1,478,838	(675,439)
Other receivables, deposits and prepayments	170,258	910,319	(161,106)	(515,779)
Due from associate (trade)	(231,284)	31,708	(480,644)	(115,742)
Increase (Decrease) in:				
Trade payables	113,048	(653,475)	1,171,897	1,788,444
Bills payable to banks	(138,215)	34,405	(51,581)	(19,831)
Other payables and accruals	542,158	420,163	(17,139)	(3,051)
<b>Cash generated from operating activities</b>	1,730,872	515,458	3,057,888	1,690,375
Tax paid	(133,794)	(161,684)	(356,407)	(361,504)
<b>Net cash from operating activities</b>	1,597,078	353,774	2,701,481	1,328,871
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(622,347)	(654,120)	(1,374,301)	(1,034,772)
Proceeds from disposal of property, plant and equipment	12,485	19,749	19,531	73,972
Acquisition of additional interest in a subsidiary	-	-	-	(106,459)
Interest received	1,124	2,317	7,492	9,634
<b>Net cash used in investing activities</b>	(608,738)	(632,054)	(1,347,278)	(1,057,625)



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1(c) **STATEMENT OF CASHFLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)**

	Group		Group	
	3 months ended 30 Sep 2014	30 Sep 2013	9 months ended 30 Sep 2014	2013
	\$	\$	\$	\$
<b>Cash flows from financing activities</b>				
Drawdown of bank term loans	500,000	-	2,000,000	1,000,000
Repayment of				
- finance lease liabilities	(38,496)	(36,512)	(115,214)	(146,604)
- bank term loans	-	-	(1,000,000)	-
- loan from non-controlling shareholder of a subsidiary	-	-	-	(7,992)
Payment of dividends to				
- shareholders of the Company	-	-	(454,106)	(908,213)
- non-controlling shareholder of a subsidiary	(50,360)	-	(204,360)	(64,160)
Interest paid	(66,717)	(58,726)	(193,987)	(184,533)
<b>Net cash from (used in) financing activities</b>	<b>344,427</b>	<b>(95,238)</b>	<b>32,333</b>	<b>(311,502)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,332,767	(373,518)	1,386,536	(40,256)
Cash and cash equivalents at beginning of period	6,734,888	8,693,336	6,712,349	8,272,353
Effect of exchange rate changes on cash balances held in foreign currencies	53,310	(71,032)	22,080	16,689
<b>Cash and cash equivalents at end of period (Note i)</b>	<b>8,120,965</b>	<b>8,248,786</b>	<b>8,120,965</b>	<b>8,248,786</b>

**Notes to Statement of Cash Flows**

(i) Cash and cash equivalents comprise:

	Group	
	30 Sep 2014	30 Sep 2013
	\$	\$
Fixed deposits	-	25,446
Cash and bank balances	8,120,965	8,223,340
	8,120,965	8,248,786

(ii) Despite registering a significant increase in inventory purchases made, the Group's **net cash from operating activities** for the 3<sup>rd</sup> quarter of 2014 and the nine months ended 30 September 2014 was higher than its corresponding periods in 2013 as we were able to realise our trade receivables 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 investing activities** was mainly related to capital expenditure incurred for on-going enhancement to the infrastructure and farm facilities in Singapore and overseas.



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1(c) **STATEMENT OF CASHFLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014 (cont'd)**

**Notes to Statement of Cash Flows (cont'd)**

During the nine months ended 30 September 2014, the **net cash from financing activities** was mainly related to net cash proceeds received from banks borrowings which were utilised for the payment of dividends to the shareholders of the Company and to the non-controlling shareholder of a subsidiary, as well as for the settlement of finance lease liabilities and the servicing of interest payments on a monthly basis.

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		
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jan 2013</b>	30,772,788	22,343,652	(587,044)	52,529,396	1,590,439	54,119,835
<b>Total comprehensive income for the year</b>						
Profit for the year	-	301,675	-	301,675	261,420	563,095
<b>Other comprehensive income</b>						
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
<b>Transactions with owners recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
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)
<b>Changes in ownership interests in subsidiaries</b>						
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)
<b>Balance at 31 Dec 2013</b>	30,772,788	19,466,582	(730,156)	49,509,214	1,485,309	50,994,523



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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		
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jan 2014</b>	30,772,788	19,466,582	(730,156)	49,509,214	1,485,309	50,994,523
<b>Total comprehensive income for the period</b>						
Profit for the period	-	215,917	-	215,917	236,730	452,647
<b>Other comprehensive income</b>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	59,178	59,178	22,860	82,038
Total other comprehensive income	-	-	59,178	59,178	22,860	82,038
Total comprehensive income for the period	-	215,917	59,178	275,095	259,590	534,685
<b>Transactions with owners recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Payment of first and final dividend	-	(454,106)	-	(454,106)	-	(454,106)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(204,360)	(204,360)
Total transactions with owners	-	(454,106)	-	(454,106)	(204,360)	(658,466)
<b>Balance at 30 Sep 2014</b>	30,772,788	19,228,393	(670,978)	49,330,203	1,540,539	50,870,742

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



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

Company	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$
<b>Balance at 1 Jan 2014</b>	30,772,788	11,574,672	(26,493)	42,320,967
<b>Total comprehensive income for the period</b>				
Profit for the period	-	572,661	-	572,661
<b>Other comprehensive income</b>				
Translation differences relating to financial statements of foreign operations, net of tax	-	-	4,447	4,447
Total other comprehensive income	-	-	4,447	4,447
Total comprehensive income for the period	-	572,661	4,447	577,108
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Payment of first and final dividend	-	(454,106)	-	(454,106)
Total transactions with owners	-	(454,106)	-	(454,106)
<b>Balance at 30 Sep 2014</b>	30,772,788	11,693,227	(22,046)	42,443,969

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

Share capital	Number of shares	\$
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2014 and 30 Sep 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 September 2014 (30/9/2013: Nil).

The Company did not hold any treasury shares as at 30 September 2014 (30/9/2013: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the nine months ended 30 September 2014.





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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 nine months ended 30 September 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  
15 October 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)**

	Group		Group	
	3 months ended 30 Sep 2014	2013	9 months ended 30 Sep 2014	2013
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	0.02	0.05	0.05
- on a fully diluted basis (cents)	0.02	0.02	0.05	0.05

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 (30/9/2013: 454,106,350).

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 2014</u>	<u>31 Dec 2013</u>	<u>30 Sep 2014</u>	<u>31 Dec 2013</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	11.20	11.23	9.35	9.32

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

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

**9 months 2014 vs 9 months 2013**

	<u>Group</u>		<u>Increase</u>	
	<u>9 months ended 30 Sep 2014</u>	<u>2013</u>	<u>(Decrease)</u>	
	\$'000	\$'000	\$'000	%
Fish	26,661	25,891	770	3.0
Accessories	27,706	26,797	909	3.4
Plastics	7,861	9,219	(1,358)	(14.7)
	<u>62,228</u>	<u>61,907</u>	<u>321</u>	<u>0.5</u>

For the nine months ended 30 September 2014, the ornamental fish and accessories activities continued to be our core business segments, which together accounted for 87.4% of the total revenue. Our revenue increased by approximately \$0.3 million or 0.5% from \$61.9 million for the nine months ended 30 September 2013 to \$62.2 million for the nine months ended 30 September 2014.

On a geographical basis, revenue from Singapore dipped by 5.3% while revenue from overseas grew by approximately 2.9% in the first nine months of 2014 as compared to its corresponding period in 2013.



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

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

**3Q 2014 vs 3Q 2013**

	<b>Group</b>		<b>Increase</b>	
	<b>3Q 2014</b>	<b>3Q 2013</b>	<b>(Decrease)</b>	
	\$'000	\$'000	\$'000	%
Fish	8,351	8,613	(262)	(3.0)
Accessories	9,456	9,157	299	3.3
Plastics	2,654	2,725	(71)	(2.6)
	<b>20,461</b>	<b>20,495</b>	<b>(34)</b>	<b>(0.2)</b>

Although the revenue from our accessories activities registered growth of approximately \$0.3 million or 3.3% in the 3<sup>rd</sup> quarter of 2014 as compared to its corresponding period in 2013, the reduction in our ornamental fish and plastic revenue has resulted in a marginal decrease in our overall revenue in the current quarter as compared to its corresponding period in 2013.

**Fish**

During the 3<sup>rd</sup> quarter of 2014, we saw a reduction in revenue generated from the sales of Dragon Fish in China as our customers were reluctant to purchase and hold more inventory due to the severe hot climate during the summer months. Nonetheless, the demand for this fish has resumed towards the end of the quarter.

The above reduction was partially offset by the increase in 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. We envisage that the Group should see a sustainable growth in its ornamental fish's business in the coming quarters.

**Accessories**

During the 3<sup>rd</sup> 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 \$0.3 million or 3.3% 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 business remained relatively consistent in the current quarter, comparable to that of the corresponding period in 2013.



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

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

**3Q 2014 vs 2Q 2014**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>3Q 2014</b>	<b>2Q 2014</b>	<b>\$'000</b>	<b>%</b>
Fish	8,351	9,185	(834)	(9.1)
Accessories	9,456	9,347	109	1.2
Plastics	2,654	2,537	117	4.6
	<b>20,461</b>	<b>21,069</b>	<b>(608)</b>	<b>(2.9)</b>

Our revenue decreased by \$0.6 million or 2.9% from approximately \$21.1 million in 2<sup>nd</sup> quarter 2014 to \$20.5 million in the 3<sup>rd</sup> quarter of 2014 mainly due to the reduction in ornamental fish revenue during the current quarter as compared to the previous quarter.

**Fish**

As mentioned above, during the 3<sup>rd</sup> quarter of 2014, we saw a reduction in Dragon Fish revenue contribution generated from the China market as our customers were reluctant to purchase and hold more inventory in view of the severe hot climate in China during the summer months. In addition, as traditionally, the 3<sup>rd</sup> 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, which resulted in the lower ornamental fish contribution in the current quarter as compared to its previous quarter.

**Accessories**

Revenue from our accessories activities continued its growth momentum into the 3<sup>rd</sup> 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**

With the gradual resumption in demand for our plastic products after a temporary reduction in market demand as a result of the upward revision in selling prices with effect from January 2014, the revenue from our plastic activities has increased by approximately \$0.1 million or 4.6% to \$2.6 million on a quarter-on-quarter basis.



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

(b) **Profitability**

**9 months 2014 vs 9 months 2013**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>9 months ended 30 Sep</b>			
	<b>2014</b>	<b>2013</b>	<b>\$'000</b>	<b>%</b>
Fish	804	610	194	31.8
Accessories	1,244	1,176	68	5.8
Plastics	311	549	(238)	(43.4)
Unallocated corporate expenses	(1,619)	(1,654)	35	2.1
	<b>740</b>	<b>681</b>	<b>59</b>	<b>8.7</b>

In line with the higher revenue contribution registered, our overall operating profit before tax increased marginally for the nine months ended 30 September 2014 as compared to its corresponding period in 2013. Profit after taxation attributable to equity holders amounted to approximately \$0.2 million for the nine months ended 30 September 2014.

**3Q 2014 vs 3Q 2013**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>3Q</b>			
	<b>2014</b>	<b>2013</b>	<b>\$'000</b>	<b>%</b>
Fish	261	263	(2)	(0.8)
Accessories	424	394	30	7.6
Plastics	97	149	(52)	(34.9)
Unallocated corporate expenses	(539)	(534)	(5)	(0.9)
	<b>243</b>	<b>272</b>	<b>(29)</b>	<b>(10.7)</b>

**Fish**

The flat growth in profitability despite a reduction in revenue registered by the ornamental fish business in the 3<sup>rd</sup> quarter of 2014 as compared to its corresponding period in 2013 was as a result of the difference in sales mix, coupled with the improved profit margins from Dragon Fish, following the stabilisation of its selling prices.

**Accessories**

Despite the higher revenue contribution from our accessories export business registered in the 3<sup>rd</sup> quarter of 2014, the operating profit of \$0.4 million 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.



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

#### (b) Profitability (cont'd)

##### 3Q 2014 vs 2Q 2014

	<u>Group</u>		<u>Increase</u>	
	<u>3Q</u>	<u>2Q</u>	<u>(Decrease)</u>	
	<u>2014</u>	<u>2014</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Fish	261	239	22	9.2
Accessories	424	382	42	11.0
Plastics	97	81	16	19.8
Unallocated corporate expenses	(539)	(537)	(2)	(0.4)
	<u>243</u>	<u>165</u>	<u>78</u>	<u>47.3</u>

##### Fish

As mentioned above, notwithstanding the reduction in revenue contribution from our ornamental fish business registered in the 3<sup>rd</sup> quarter of 2014, the difference in sales mix, coupled with the improved profit margins from Dragon Fish, following the stabilisation of its selling prices, has lifted the profitability of the ornamental fish business during the current quarter as compared to the previous quarter.

##### Accessories

The increase in profitability from our accessories business in the current quarter as compared to the previous quarter was in line with the higher revenue contribution.

##### Plastics

The higher revenue registered by the plastic business in the current quarter had given rise to the improved profitability from the 2<sup>nd</sup> quarter of 2014 to the 3<sup>rd</sup> 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.



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### 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 nine months ended 30 September 2014 is recommended.

### 12 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 interested person transactions based on terms agreed between the parties as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2014</u>	<u>30 Sep 2013</u>	<u>30 Sep 2014</u>	<u>30 Sep 2013</u>
	\$	\$	\$	\$
Fees paid to a company in which a director has an interest	14,500	9,700	14,500	9,700
Guarantee fee paid to a major shareholder of the Company *	35,100	38,830	35,100	38,830
Consultancy fees paid to a company in which a director has a substantial interest	8,300	8,300	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 third quarter and the nine months ended 30 September 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.



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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	9 months ended 30 Sep 2014				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	26,661	27,706	7,861	-	62,228
Inter-segment revenue	1,414	5,000	123	(6,537)	-
<b>Total Revenue</b>	<b>28,075</b>	<b>32,706</b>	<b>7,984</b>	<b>(6,537)</b>	<b>62,228</b>
<b>Results</b>					
EBITDA *	1,512	1,695	373	(1,477)	2,103
Depreciation and amortisation	(695)	(441)	(62)	-	(1,198)
Interest expense	(18)	(32)	-	(142)	(192)
Interest income	5	2	-	-	7
	804	1,224	311	(1,619)	720
Share of profits of associates	-	20	-	-	20
Profit before tax	804	1,244	311	(1,619)	740
Tax expense	(198)	(62)	(27)	-	(287)
<b>Profit for the period</b>	<b>606</b>	<b>1,182</b>	<b>284</b>	<b>(1,619)</b>	<b>453</b>
<b>Net profit margin</b>	<b>2.3%</b>	<b>4.3%</b>	<b>3.6%</b>		<b>0.7%</b>
<b>Assets and Liabilities</b>					
Segment assets	31,562	39,189	3,733	3,294	77,778
Investments in associates	-	632	-	-	632
Segment liabilities	5,474	6,101	1,960	13,373	26,908
<b>Other Segment Information</b>					
Expenditures for non-current assets **	1,111	251	73	-	1,435
Other non-cash items:					
Bad trade receivables written off	48	8	2	-	58
Gain on disposal of property, plant and equipment	-	(11)	-	-	(11)
Property, plant and equipment written off	-	5	-	-	5
Allowance for doubtful trade receivables	336	82	4	-	422
Change in fair value less estimated point-of-sale costs of breeder stocks	20	-	-	-	20

\* 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 2013				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	25,891	26,797	9,219	-	61,907
Inter-segment revenue	1,307	6,313	180	(7,800)	-
<b>Total Revenue</b>	<b>27,198</b>	<b>33,110</b>	<b>9,399</b>	<b>(7,800)</b>	<b>61,907</b>
<b>Results</b>					
EBITDA *	1,602	1,870	612	(1,517)	2,567
Depreciation and amortisation	(983)	(592)	(62)	-	(1,637)
Interest expense	(16)	(31)	(1)	(137)	(185)
Interest income	7	2	-	-	9
	610	1,249	549	(1,654)	754
Share of losses of associates	-	(73)	-	-	(73)
Profit before tax	610	1,176	549	(1,654)	681
Tax expense	(104)	(122)	(35)	-	(261)
<b>Profit for the period</b>	<b>506</b>	<b>1,054</b>	<b>514</b>	<b>(1,654)</b>	<b>420</b>
<b>Net profit margin</b>	<b>2.0%</b>	<b>3.9%</b>	<b>5.6%</b>		<b>0.7%</b>
<b>Assets and Liabilities</b>					
Segment assets	31,896	39,461	4,027	4,428	79,812
Investments in associates	-	636	-	-	636
Segment liabilities	5,048	6,060	1,935	13,366	26,409
<b>Other Segment Information</b>					
Expenditures for non-current assets **	704	313	71	-	1,088
Other non-cash items:					
Bad trade receivables written off	29	6	-	-	35
Loss (Gain) on disposal of property, plant and equipment	3	(37)	(2)	-	(36)
Property, plant and equipment written off	1	1	-	-	2
Allowance for					
- doubtful trade receivables	485	55	-	-	540
- inventory obsolescence	-	47	-	-	47
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.



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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	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	17,245	18,204	16,492	17,363	56,846	60,354
Other Asian countries	33,133	31,580	2,654	2,432	20,574	19,099
Europe	6,861	6,907	358	359	358	359
Others	4,989	5,216	-	-	-	-
<b>Total</b>	<b>62,228</b>	<b>61,907</b>	<b>19,504</b>	<b>20,154</b>	<b>77,778</b>	<b>79,812</b>

(c) **Major customers**

There is 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
<b>3Q 2014</b>				
Singapore (including domestic sales & sales to Singapore)	1,095	2,093	2,617	5,805
Overseas (including export to & sales in overseas)	7,256	7,363	37	14,656
<b>Total revenue</b>	<b>8,351</b>	<b>9,456</b>	<b>2,654</b>	<b>20,461</b>
<b>3Q 2013</b>				
Singapore	1,186	1,908	2,706	5,800
Overseas	7,427	7,249	19	14,695
<b>Total revenue</b>	<b>8,613</b>	<b>9,157</b>	<b>2,725</b>	<b>20,495</b>
<b>9 months ended 30 Sep 2014</b>				
Singapore (including domestic sales & sales to Singapore)	3,414	6,069	7,762	17,245
Overseas (including export to & sales in overseas)	23,247	21,637	99	44,983
<b>Total revenue</b>	<b>26,661</b>	<b>27,706</b>	<b>7,861</b>	<b>62,228</b>
<b>9 months ended 30 Sep 2013</b>				
Singapore	3,534	5,632	9,038	18,204
Overseas	22,357	21,165	181	43,703
<b>Total revenue</b>	<b>25,891</b>	<b>26,797</b>	<b>9,219</b>	<b>61,907</b>

**BY ORDER OF THE BOARD**

Kenny Yap Kim Lee  
Executive Chairman and Managing Director  
15 October 2014