



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 2010**

	Note	Group			Group		
		3 months ended 30 Sep		Change %	9 months ended 30 Sep		Change %
		2010 \$'000	2009 \$'000		2010 \$'000	2009 \$'000	
Revenue		22,953	23,874	(3.9)	68,924	70,744	(2.6)
Cost of sales		(15,033)	(15,656)	(4.0)	(46,650)	(46,126)	1.1
Gross profit		7,920	8,218	(3.6)	22,274	24,618	(9.5)
Other operating income		45	20	125.0	123	88	39.8
		7,965	8,238	(3.3)	22,397	24,706	(9.3)
Selling & distribution expenses	i	(397)	(498)	(20.3)	(1,241)	(1,446)	(14.2)
General & administrative expenses	i	(5,855)	(5,314)	10.2	(16,129)	(15,810)	2.0
Results from operating activities	ii	1,713	2,426	(29.4)	5,027	7,450	(32.5)
Financial income	iii	1	1	-	3	4	(25.0)
Financial expenses	iii	(135)	(165)	(18.2)	(388)	(551)	(29.6)
		1,579	2,262	(30.2)	4,642	6,903	(32.8)
Share of losses of associates	iv	(13)	(29)	(55.2)	(66)	(33)	100.0
Profit before income tax		1,566	2,233	(29.9)	4,576	6,870	(33.4)
Income tax expense	v	(205)	(355)	(42.3)	(766)	(1,279)	(40.1)
Profit for the period		1,361	1,878	(27.5)	3,810	5,591	(31.9)
Attributable to:							
Equity holders of the Company		1,213	1,683	(27.9)	3,575	4,745	(24.7)
Non-controlling interests		148	195	(24.1)	235	846	(72.2)
Profit for the period		1,361	1,878	(27.5)	3,810	5,591	(31.9)
Gross profit margin		34.5%	34.4%		32.3%	34.8%	
Net profit margin		5.9%	7.9%		5.5%	7.9%	
Effective tax rate		13.1%	15.9%		16.7%	18.6%	



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STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Sep</u>		<u>Change</u>	<u>9 months ended 30 Sep</u>		<u>Change</u>
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	1,361	1,878	(27.5)	3,810	5,591	(31.9)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(286)	(206)	38.8	1,099	(450)	(344.2)
Other comprehensive income for the period, net of tax	(286)	(206)	38.8	1,099	(450)	(344.2)
Total comprehensive income for the period	1,075	1,672	(35.7)	4,909	5,141	(4.5)
Attributable to:						
Equity holders of the Company	1,013	1,544	(34.4)	4,311	4,440	(2.9)
Non-controlling interests	62	128	(51.6)	598	701	(14.7)
Total comprehensive income for the period	1,075	1,672	(35.7)	4,909	5,141	(4.5)

Notes to Income Statement

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

Despite the annual salary revision and the increase in overall headcount of the Group, we have put in place measures to contain most of our general and administrative expenses in the current financial period. The increase in general and administrative expenses in the current quarter and on a year-on-year basis as compared to the corresponding periods in 2009 was mainly due to the allowance made for doubtful trade receivables of \$439K.

Accordingly, in line with the cost saving measures in place, there was reduction in selling and distribution expenses incurred by the Group of approximately 20.3% and 14.2% for the 3rd quarter and 9 months ended 30 September 2010 respectively.

(ii) **Profit from operations**

This is determined after charging (crediting) the following:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration				
- auditors of the Company	18	18	54	54
- other auditors	5	6	18	17
Non-audit fees				
- other auditors	-	-	9	17
Directors' fees				
- directors of the Company	25	15	60	45



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Notes to Income Statement (cont'd)

(ii) **Profit from operations (cont'd)**

	<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>
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Directors' remuneration				
- directors of the Company	257	287	767	861
- directors of subsidiaries	143	137	426	409
Amortisation of product listing fees	-	2	-	8
Bad trade receivables				
- written off	2	-	3	-
- recovered	-	-	(1)	(1)
Depreciation of				
- property, plant and equipment	545	499	1,614	1,521
- brooder stocks	165	148	505	436
Property, plant and equipment written off	-	22	11	43
Gain on disposal of property, plant and equipment	(10)	(9)	(15)	(27)
Allowance for (Write back of)				
- doubtful trade receivables	410	79	439	239
- inventory obsolescence	(30)	108	(48)	172
Operating lease expenses	279	255	838	790
Personnel expenses *	3,105	3,023	9,090	9,083
Exchange gain, net	(2)	(36)	(516)	(303)

* Include directors' remuneration.

(iii) **Financial income**
Financial expenses

	<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>
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Interest expense				
- bank loans and overdrafts	71	120	221	410
- bills payable	55	36	140	116
- finance lease liabilities	9	9	27	25
	<u>135</u>	<u>165</u>	<u>388</u>	<u>551</u>
Interest income				
- bank deposits	(1)	(1)	(3)	(4)
Net financial expenses	<u>134</u>	<u>164</u>	<u>385</u>	<u>547</u>

The reduction in interest expenses was mainly due to lower interest rates charged by the financial institutions during the current financial period as well as a lower amount of bank borrowings outstanding in the 3rd quarter and the first 9 months of 2010 as compared to the corresponding periods in 2009.



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Notes to Income Statement (cont'd)

(iv) **Share of losses of associates**

The losses were mainly a result of the write off of setting up costs and pre-operating expenses incurred by our newly incorporated associate in India since its incorporation in FY 2009. The company is currently in the business of manufacturing fish food. With the operation of the aquarium tank production line in September 2010, the efficiency and productivity of the factory have been enhanced and its profitability should improve accordingly.

(v) **Income tax expense**

	Group		Group	
	3 months ended 30 Sep 2010	2009	9 months ended 30 Sep 2010	2009
	\$'000	\$'000	\$'000	\$'000
Current tax				
- current year	155	(72)	766	852
- under provision in respect of prior year	-	(3)	10	(3)
Deferred tax				
- temporary differences	-	430	-	430
- over provision in respect of prior year	-	-	(60)	-
	155	355	716	1,279

The effective tax rates of 13.1% and 16.7% for the 3rd quarter of 2010 and the 9 months ended 30 September 2010 respectively were lower than the 15.9% and 18.6% recorded in the corresponding periods in 2009. This is mainly attributed to losses incurred by some subsidiaries in 2009, which cannot be offset against profits earned by other companies in the Group as well as tax incentives granted for qualifying expenditures incurred during the current financial period.



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

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Equity attributable to equity holders of the Company				
Share capital	30,772,788	29,654,922	30,772,788	29,654,922
Reserves	31,640,762	29,571,319	16,638,743	16,163,180
	62,413,550	59,226,241	47,411,531	45,818,102
Non-Controlling Interests	10,487,647	9,993,905	-	-
Total Equity	72,901,197	69,220,146	47,411,531	45,818,102
Non-Current Assets				
Property, plant and equipment	15,854,737	15,941,572	6,027,366	6,490,153
Brooder stocks	30,872,382	30,315,749	3,067,547	3,118,922
Investments in subsidiaries	-	-	12,012,586	11,991,086
Investments in associates	1,104,729	1,170,729	1,215,200	1,215,200
Intangible assets	2,308,668	2,308,668	343,048	343,048
Current Assets				
Inventories	23,600,517	20,953,851	6,532,413	6,013,978
Breeder stocks	1,505,620	1,505,620	420,250	420,250
Trade receivables	18,130,041	18,095,023	8,211,516	7,515,594
Other receivables, deposits and prepayments	2,645,471	2,291,442	688,355	700,011
Due from				
- subsidiaries (trade)	-	-	19,352,136	18,364,613
- subsidiaries (non-trade)	-	-	3,773,131	4,111,996
- associates (trade)	1,264,393	1,337,808	12,071	143,290
Fixed deposits	24,560	24,560	24,560	24,560
Cash and bank balances	8,689,657	9,822,054	3,988,968	5,296,701
	55,860,259	54,030,358	43,003,400	42,590,993
Current Liabilities				
Trade payables	8,519,884	7,663,353	3,616,835	3,391,840
Bills payable to banks (unsecured)	4,428,674	4,290,129	606,823	709,078
Other payables and accruals	3,690,984	4,717,107	2,696,104	3,679,971
Due to				
- subsidiaries (trade)	-	-	118,274	82,028
- subsidiaries (non-trade)	-	-	1,030,000	1,430,000
Finance lease liabilities	183,329	179,992	59,902	73,221
Bank term loans	9,865,887	10,333,097	9,500,000	9,800,000
Current tax payable	683,297	1,250,252	401,347	567,182
	27,372,055	28,433,930	18,029,285	19,733,320
Net Current Assets	28,488,204	25,596,428	24,974,115	22,857,673
Non-Current Liabilities				
Finance lease liabilities	(403,444)	(321,502)	(128,331)	(97,980)
Bank term loans	(1,135,640)	(1,735,234)	-	-
Deferred tax liabilities	(4,188,439)	(4,056,264)	(100,000)	(100,000)
Net Assets	72,901,197	69,220,146	47,411,531	45,818,102



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

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
Inventory turnover (days)	139	137	72	80
Trade receivables turnover (days)	72	73	59	57
Debt equity ratio	0.45	0.50	0.39	0.44

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 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	%	%	\$	\$
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	150,451
- Qian Hu The Pet Family (M) Sdn Bhd (Malaysia)	100	100	-	-
Kim Kang Aquaculture Sdn Bhd (Malaysia)	65	65	8,538,391	8,538,391
Beijing Qian Hu Aquarium & Pets Co., Ltd (People's Republic of China)	100	100	171,824	171,824
Guangzhou Qian Hu Aquarium & Pets Accessories Manufacturing Co., Ltd (People's Republic of China)	100	100	1,686,039	1,686,039
Shanghai Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	1,086,516	1,086,516
Qian Hu Marketing Co Ltd (Thailand)	74	74	148,262	148,262
Thai Qian Hu Company Limited (Thailand)	60	60	121,554	121,554
NNTL (Thailand) Limited (Thailand)	49 *	49 *	30,999	30,999
			12,012,586	11,991,086

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

Additional investment made in 1Q 2010 to increase the paid up capital of the company to RM350,000.



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Notes to Statements of Financial Position (cont'd)

(2) The details of associates are as follows:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Unquoted equity investments				
- Arcadia Products PLC	812,600	812,600	812,600	812,600
- Qian Hu Aquasstar (India) Private Limited	402,600	402,600	402,600	402,600
	<u>1,215,200</u>	<u>1,215,200</u>	<u>1,215,200</u>	<u>1,215,200</u>
Share of post-acquisition losses	(110,471)	(44,471)	-	-
	<u>1,104,729</u>	<u>1,170,729</u>	<u>1,215,200</u>	<u>1,215,200</u>

Name of associate	Principal activities	Effective equity held by the Group	
		30 Sep 2010	31 Dec 2009
		%	%
Arcadia Products PLC (United Kingdom)	Manufacture and distribution of aquarium lamps	20	20
Qian Hu Aquasstar (India) Private Limited (India)	Manufacture of fish food and aquarium accessories	50	50

(3) Intangible assets comprise:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Trademarks/customer acquisition costs	938,697	938,051	921,497	921,497
Product listing fees	196,153	196,153	196,153	196,153
Goodwill on consolidation	1,965,620	1,965,620	-	-
	<u>3,100,470</u>	<u>3,099,824</u>	<u>1,117,650</u>	<u>1,117,650</u>
Less accumulated amortisation	(791,802)	(791,156)	(774,602)	(774,602)
	<u>2,308,668</u>	<u>2,308,668</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 are estimated to have indefinite lives and are tested for impairment annually.

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

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of subsidiaries acquired. It is stated at cost from the date of initial recognition less accumulated impairment losses and is subjected to annual impairment testing.



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Notes to Statements of Financial Position (cont'd)

(4) Inventories comprise:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Fish	5,368,955	5,750,255	1,870,723	2,335,058
Accessories	17,906,845	15,030,420	5,043,690	4,108,920
Plastics products - raw materials	318,891	283,461	-	-
Plastics products - finished goods	481,616	413,505	-	-
	<u>24,076,307</u>	<u>21,477,641</u>	<u>6,914,413</u>	<u>6,443,978</u>
Less allowance for inventory obsolescence	(475,790)	(523,790)	(382,000)	(430,000)
	<u>23,600,517</u>	<u>20,953,851</u>	<u>6,532,413</u>	<u>6,013,978</u>

The increase in accessories inventory balance as at 30 September 2010 was mainly due to higher raw materials held in our Guangzhou factory for the production of the newly developed revolutionary filtration system which will be fully rolled out by the end of the current financial year. Accordingly, it has resulted in the increase in trade and bills payables as at 30 September 2010.

(5) Trade receivables comprise:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Trade receivables	20,609,317	20,141,960	10,460,992	9,333,135
Less allowance for doubtful trade receivables	(2,479,276)	(2,046,937)	(2,249,476)	(1,817,541)
	<u>18,130,041</u>	<u>18,095,023</u>	<u>8,211,516</u>	<u>7,515,594</u>

The amount of trade receivables and its turnover days remained relatively constant as at the end of both periods. The Group typically grants existing customers credit terms of 30 to 90 days.

(6) Other receivables, deposits and prepayments comprise:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Other receivables	416,712	342,225	129,980	144,215
Deposits	345,274	309,718	58,430	58,630
Prepayments	812,678	676,562	258,080	197,031
Advances to suppliers	311,279	301,616	241,865	300,135
Deposit for purchase of property, plant and equipment	72,000	-	-	-
Tax recoverable	687,528	661,321	-	-
	<u>2,645,471</u>	<u>2,291,442</u>	<u>688,355</u>	<u>700,011</u>



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Notes to Statements of Financial Position (cont'd)

The amount of prepayments made as at 30 September 2010 was higher as we have incurred payments for certain expenses at the beginning of the year. Such amounts will be charged to the income statement throughout the current financial year. In addition, there were advances made to suppliers in relation to the construction work carried out at the new site of our Shanghai farm and the deposits placed for the purchase of related equipment.

- (7) Other payables and accruals comprise:

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Accrued operating expenses	197,469	321,336	112,500	145,822
Accrued staff costs	963,188	2,020,451	541,428	1,554,058
Other payables	2,281,434	2,347,739	1,945,554	1,974,513
Advance received from customers	248,893	27,581	96,622	5,578
	3,690,984	4,717,107	2,696,104	3,679,971

The reduction of other payables and accruals as at 30 September 2010 was mainly due to the decrease in accrued staff costs as a result of bonus payment made in January 2010. In addition, the amount of provision made for bonus payment is lower in the current financial year, which is in line with the lower profit registered as compared to FY 2009.

- (8) The increase in finance lease liabilities as at 30 September 2010 was due to the purchase of six motor vehicles under hire purchase arrangements during the first 9 months of 2010.



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

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
	\$	\$	\$	\$
Due within 1 year:				
Short term loans (unsecured)	9,500,000	9,800,000	9,500,000	9,800,000
Long-term loans, current portion				
- secured	-	33,951	-	-
- unsecured	365,887	499,146	-	-
	365,887	533,097	-	-
	<u>9,865,887</u>	<u>10,333,097</u>	<u>9,500,000</u>	<u>9,800,000</u>
Due after 1 year:				
Long-term loans				
- secured	-	39,450	-	-
- unsecured	1,135,640	1,695,784	-	-
	1,135,640	1,735,234	-	-
	<u>11,001,527</u>	<u>12,068,331</u>	<u>9,500,000</u>	<u>9,800,000</u>

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.36% to 1.82% (31/12/2009: 1.48% to 2.18%) per annum and are repayable within the next 12 months from the balance sheet date.

The long-term loans outstanding as at 30 September 2010, taken by a subsidiary, comprise:

- a 10-year unsecured bank loan of RM2.5 million, bears interest at 7.80% (31/12/2009: 7.05%) per annum and is repayable in 120 monthly instalments commencing March 2007; and
- a 5-year unsecured bank loan of RM3.0 million, bears interest at 7.30% (31/12/2009: 6.55%) per annum and is repayable in 60 monthly instalments commencing May 2009.

In addition, included in the long-term loans outstanding as at 31 December 2009, there was a 7-year bank loan of RM0.5 million (secured by a mortgage on a subsidiary's freehold land, repayable in 84 monthly instalments commencing January 2005) which bore interest at 6.80% per annum and a 5-year unsecured bank loan of RM1.85 million (unsecured, repayable in 60 monthly instalments commencing August 2006) which bore interest at 7.05% per annum. These amounts have since been fully repaid in April and July 2010 respectively.

As at 30 September 2010, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$11.0 million (31/12/2009: \$11.0 million). As announced previously, the adoption of the amendments to FRS 39 *Financial Instruments: Recognition and Measurement - Financial Guarantee Contracts* (effective from financial years beginning on or after 1 January 2006), which required the Company to measure the financial guarantees given to financial institutions for bank borrowings of its subsidiaries at fair value upon inception of the guarantees, was assessed to have no material financial impact on the Group's financial statements.



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1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
30 SEPTEMBER 2010**

	Group		Group	
	3 months ended 30 Sep 2010	2009	9 months ended 30 Sep 2010	2009
	\$	\$	\$	\$
Cash flows from operating activities				
Profit before income tax	1,566,659	2,232,484	4,576,449	6,869,593
Adjustments for:				
Bad trade receivables				
- written off	2,449	376	2,825	430
- recovered	-	-	(721)	(755)
Depreciation of				
- property, plant and equipment	544,735	499,202	1,614,497	1,520,479
- brooder stocks	165,398	148,077	504,707	436,257
Gain on disposal of property, plant and equipment	(10,126)	(8,792)	(14,768)	(26,755)
Property, plant and equipment written off	382	22,518	10,740	43,431
Amortisation of product listing fees	-	2,532	-	8,080
Allowance for (Write back of)				
- doubtful trade receivables	410,323	79,365	438,994	238,705
- inventory obsolescence	(30,000)	107,500	(48,000)	171,800
Share of losses of associates	12,582	29,654	66,000	33,168
Interest expense	134,456	164,942	388,066	551,490
Interest income	(446)	(1,079)	(2,853)	(4,525)
Operating profit before working capital changes	2,796,412	3,276,779	7,535,936	9,841,398
(Increase) Decrease in:				
Inventories	(310,661)	(139,241)	(2,519,360)	(923,225)
Trade receivables	(879,644)	(1,497,043)	(424,874)	225,627
Other receivables, deposits and prepayments	59,996	(119,937)	(300,456)	400,072
Due from associates (trade)	(177,370)	109,107	33,021	71,389
Increase (Decrease) in:				
Trade payables	(86,715)	(338,724)	782,805	(1,283,265)
Bills payable to banks	(215,499)	426,117	(1,203)	848,353
Other payables and accruals	129,466	198,669	(1,044,671)	(1,080,117)
Due to associates (trade)	(34,473)	-	-	-
Cash generated from operating activities	1,281,512	1,915,727	4,061,198	8,100,232
Payment of income tax	(498,526)	(398,655)	(1,370,165)	(1,183,595)
Net cash from operating activities	782,986	1,517,072	2,691,033	6,916,637
Cash flows from investing activities				
Purchase of				
- property, plant and equipment	(309,698)	(408,414)	(966,227)	(2,294,458)
- brooder stocks	-	-	-	(1,828,980)
Proceeds from disposal of property, plant and equipment	10,103	13,738	15,358	41,858
Payment for trademarks/customer acquisition costs	-	(15,950)	-	(90,201)
Investment in an associate	-	(402,600)	-	(402,600)
Interest received	446	1,079	2,853	4,525
Net cash used in investing activities	(299,149)	(812,147)	(948,016)	(4,569,856)



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

1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010 (cont'd)**

	Group		Group	
	3 months ended 30 Sep 2010	2009	9 months ended 30 Sep 2010	2009
	\$	\$	\$	\$
Cash flows from financing activities				
Proceeds from issuance of new shares	167,717	12,670	1,117,866	214,253
Drawdown of bank term loans	-	-	-	813,000
Repayment of				
- finance lease liabilities	(55,992)	(16,307)	(168,952)	(118,812)
- bank term loans	(522,757)	(226,916)	(1,155,324)	(399,468)
- loans from non-controlling shareholder of a subsidiary	-	(37,657)	-	(106,522)
Payment of dividends to				
- shareholders of the Company	-	-	(2,241,701)	(840,346)
- non-controlling shareholder of a subsidiary	-	(102,000)	(104,160)	(102,000)
Interest paid	(134,312)	(165,296)	(390,874)	(557,334)
Net cash used in financing activities	<u>(545,344)</u>	<u>(535,506)</u>	<u>(2,943,145)</u>	<u>(1,097,229)</u>
Net (decrease) increase in cash and cash equivalents	(61,507)	169,419	(1,200,128)	1,249,552
Cash and cash equivalents at beginning of period	8,809,827	7,823,096	9,846,614	6,704,033
Effect of exchange rate changes on cash balances held in foreign currencies	(34,103)	(12,677)	67,731	26,253
Cash and cash equivalents at end of period (Note i)	<u>8,714,217</u>	<u>7,979,838</u>	<u>8,714,217</u>	<u>7,979,838</u>

Notes to Statement of Cash Flows

(i) Cash and cash equivalents comprise:

	Group	
	30 Sep 2010	30 Sep 2009
	\$	\$
Fixed deposits	24,560	24,560
Cash and bank balances	8,689,657	7,955,278
Bank overdrafts	-	-
	<u>8,714,217</u>	<u>7,979,838</u>

(ii) The reduction in the Group's **net cash from operating activities** in the 3rd quarter of 2010 and for the 9 months ended 30 September 2010 was mainly due to a lower operating profit generated in the first 9 months of 2010 as compared to its corresponding period in 2009. In addition, our Guangzhou factory has redeployed more funds into raw materials purchases for the production of the newly developed revolutionary filtration system which will be fully rolled out by the end of the current financial year.

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



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

Notes to Statement of Cash Flows (cont'd)

During the first 9 months of 2010, there were cash proceeds received from the issuance of new shares arising from exercise of warrants which were utilised for the repayment of bank loans, final dividends payment made 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 2010, resulted in the **net cash used in financing activities**.

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

Group	Equity attributable to equity holders of the Company					
	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$	Non-controlling interests \$	Total Equity \$
Balance at 1 Jan 2009	29,411,915	25,338,447	(1,159,199)	53,591,163	9,143,011	62,734,174
Changes in equity for the period:						
Issue of new shares	243.007	-	-	243.007	-	243.007
Total comprehensive income for the period	-	6,544,291	(311,874)	6,232,417	952,894	7,185,311
Payment of first and final dividend	-	(840,346)	-	(840,346)	-	(840,346)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(102,000)	(102,000)
Balance at 31 Dec 2009	29,654,922	31,042,392	(1,471,073)	59,226,241	9,993,905	69,220,146
Changes in equity for the period:						
Issue of new shares	916.046	-	-	916.046	-	916.046
Total comprehensive income for the period	-	1,412,151	928,353	2,340,504	567,649	2,908,153
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(104,160)	(104,160)
Balance at 31 Mar 2010	30,570,968	32,454,543	(542,720)	62,482,791	10,457,394	72,940,185
Changes in equity for the period:						
Issue of new shares	34,103	-	-	34,103	-	34,103
Total comprehensive income for the period	-	949,915	7,545	957,460	(32,034)	925,426
Payment of first and final dividend	-	(2,241,701)	-	(2,241,701)	-	(2,241,701)
Balance at 30 Jun 2010	30,605,071	31,162,757	(535,175)	61,232,653	10,425,360	71,658,013
Changes in equity for the period:						
Issue of new shares	167,717	-	-	167,717	-	167,717
Total comprehensive income for the period	-	1,213,527	(200,347)	1,013,180	62,287	1,075,467
Balance at 30 Sep 2010	30,772,788	32,376,284	(735,522)	62,413,550	10,487,647	72,901,197



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 \$	Total \$
Balance at 1 Jan 2009	29,411,915	13,427,936	42,839,851
Changes in equity for the period:			
Issue of new shares	243,007	-	243,007
Total comprehensive income for the period	-	3,575,590	3,575,590
Payment of first and final dividend	-	(840,346)	(840,346)
Balance at 31 Dec 2009	<u>29,654,922</u>	<u>16,163,180</u>	<u>45,818,102</u>
Changes in equity for the period:			
Issue of new shares	916,046	-	916,046
Total comprehensive income for the period	-	910,475	910,475
Balance at 31 Mar 2010	<u>30,570,968</u>	<u>17,073,655</u>	<u>47,644,623</u>
Changes in equity for the period:			
Issue of new shares	34,103	-	34,103
Total comprehensive income for the period	-	1,612,438	1,612,438
Payment of first and final dividend	-	(2,241,701)	(2,241,701)
Balance at 30 Jun 2010	<u>30,605,071</u>	<u>16,444,392</u>	<u>47,049,463</u>
Changes in equity for the period:			
Issue of new shares	167,717	-	167,717
Total comprehensive income for the period	-	194,351	194,351
Balance at 30 Sep 2010	<u>30,772,788</u>	<u>16,638,743</u>	<u>47,411,531</u>

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

Share capital	Number of shares	\$
Ordinary shares issued and fully paid		
Balance as at 1 Jan 2010	422,167,317	29,654,922
Issue of new shares		
- Exercise of warrants issued	31,939,033	1,117,866
Balance as at 30 Sep 2010	<u>454,106,350</u>	<u>30,772,788</u>

The Company issued 64,965,868 warrants in September 2007 (the "Warrants"), of which 32,371,515 were exercised by warrant holders to subscribe for 32,371,515 new ordinary shares of the Company at the exercise price of \$0.035 per share as at 31 December 2009. During the 9 months ended 30 September 2010, an additional 31,939,033 Warrants were exercised by warrant holders to subscribe for 31,939,033 new shares of the Company.

In accordance with the terms and conditions of the Warrants, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the Warrants have expired on 17 September 2010. Any subscription rights comprised under the Warrants which have not been exercised have ceased to be valid for any purposes. These Warrants were delisted from SGX-ST with effect from 20 September 2010. There were 64,310,548 Warrants duly exercised into new ordinary shares of the Company from 20 September 2007 to 17 September 2010.

The Company did not hold treasury shares as at 30 September 2010 (31/12/2009: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the 9 months ended 30 September 2010.



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 third quarter and the nine months ended 30 September 2010 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
18 October 2010

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 2009.

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 2010.

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	2010	2009	2010	2009
EPS (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.27	0.40	0.81	1.13
- on a fully diluted basis (cents)	0.27	0.37	0.81	1.07

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 444,078,387 (30/9/2009: 419,618,795).

Earnings per ordinary share on a fully diluted basis is computed based on the weighted average number of shares during the period adjusted to assume conversion of all potential dilutive ordinary shares of 444,078,387 (30/9/2009: 442,425,434).



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

7 **NET ASSET VALUE PER SHARE**

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
Net asset value per share based on existing issued share capital as at the respective dates (cents)	16.05	16.40	10.44	10.85

Net asset value per share is computed based on the number of shares in issue as at 30 September 2010 of 454,106,350 (31/12/2009: 422,167,317).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

9 months 2010 vs 9 months 2009

	Group		Increase (Decrease)	
	9 months ended 30 Sep 2010	9 months ended 30 Sep 2009	\$'000	%
Fish	35,022	35,862	(840)	(2.3)
Accessories	25,295	27,163	(1,868)	(6.9)
Plastics	8,607	7,719	888	11.5
	68,924	70,744	(1,820)	(2.6)

For the 9 months ended 30 September 2010, the ornamental fish and accessories activities continued to be our core activities, which together accounted for 87.5% of total revenue. Our revenue decreased by approximately \$1.8 million or 2.6% from \$70.7 million for the 9 months ended 30 September 2009 to \$68.9 million for the 9 months ended 30 September 2010.

On a geographical basis, revenue from Singapore grew by 12.7% while overseas dipped by 8.4% in the first 9 months of 2010 as compared to its corresponding period in 2009.

(Please refer to commentary below on the reduction in overseas revenue)

3Q 2010 vs 3Q 2009

	Group		Increase (Decrease)	
	3Q 2010	3Q 2009	\$'000	%
Fish	11,341	11,998	(657)	(5.5)
Accessories	8,647	9,130	(483)	(5.3)
Plastics	2,965	2,746	219	8.0
	22,953	23,874	(921)	(3.9)

Our revenue decreased by approximately \$0.9 million or 3.9% in the 3rd quarter of 2010 as compared to its corresponding period in 2009.



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)**

3Q 2010 vs 3Q 2009 (cont'd)

Fish

The reduction of our ornamental fish revenue by approximately \$0.6 million or 5.5% in the 3rd quarter of 2010 as compared to its corresponding period in 2009 was mainly due to the following:-

- As the supply of self-bred Dragon Fish from our Malaysia farm only resumed in the 2nd quarter of 2010, after the production was affected by the unprecedented severe hot weather during the 1st quarter of 2010 till early April, the quantity of these self-bred Dragon Fish available for sales in the current quarter were lower than that of the corresponding period in 2009 when there was a constant supply of self-bred Dragon Fish throughout the year. However, we will be able to record healthy sales from self-bred Dragon Fish when the Dragon Fish production stabilises in the coming quarters.
- Weakening purchasing sentiments from the challenging European markets in anticipation of the curb in the government's budget spending have resulted in a reduction in demand for ornamental fish in that region. This has a negative impact on the revenue of the ornamental fish as more than 20% of the Group's revenue is from European countries.
- The strengthening of the SGD dollar in the current quarter has resulted in certain export customers seeking for alternative cheaper source of ornamental fish supply.

Accessories

Our accessories export business has managed to leverage on the Group's existing overseas distribution bases & network and the infrastructure available to explore more untapped markets with growth potential. However, the reduction in revenue contribution from our Guangzhou factory due to the reduction in production orders received from our OEM customers has resulted in a decline in our accessories revenue by approximately \$0.5 million or 5.3% in the 3rd quarter of 2010 as compared to its corresponding period in 2009. Our OEM customers with business dealings mainly in the European markets were affected by the region's sluggish economic conditions.

With the cutback in OEM orders, we have since utilised the surplus factory capacity in Guangzhou to produce a range of newly developed revolutionary filtration system which employed the "Hydro-Pure" technology that is able to improve water quality by as much as 50%. We envisage that our accessories revenue will improve accordingly when this range of propriety brand products is fully rolled out within the current financial year. Our factory will also increase its production for sales to the China domestic market in the coming quarters so as to hedge against the challenging European markets.

Plastics

Revenue from plastics activities continue to register a steady increase of approximately \$0.2 million or 8.0% in the current quarter as compared to its corresponding period in 2009 as we managed to focus on generating revenue through enlarging the customer base and selling more varieties of plastic products.



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)**

3Q 2010 vs 2Q 2010

	Group		Increase	
	3Q 2010 \$'000	2Q 2010 \$'000		
Fish	11,341	11,335	6	0.1
Accessories	8,647	8,578	69	0.8
Plastics	2,965	2,821	144	5.1
	22,953	22,734	219	1.0

Our revenue increased by \$0.2 million or 1.0% from \$22.7 million in the 2nd quarter of 2010 to \$22.9 million in the 3rd quarter of 2010. All business segments registered marginal improvement in revenue contribution during the current quarter as compared to the previous quarter.

Fish

Despite the resumption of the supply of our self-bred Dragon Fish from our Malaysia farm in the 2nd quarter of 2010, the revenue contribution from our ornamental fish activities remained relatively consistent in the current quarter, comparable to the previous quarter. This is mainly due to the reduction in revenue contribution from our ornamental fish export business as a result of the stronger SGD dollar coupled with the weakening in demand from the European markets as mentioned earlier.

Accessories

Our accessories revenue in the previous quarter was dampened by the Bangkok riots and the low export business from our Guangzhou factory during the FIFA World Cup tournament duration. Although these negative factors affecting its performance no longer exist in the current quarter, the reduction in production orders received from our factory OEM customers, as mentioned earlier, has resulted in lower revenue contribution from our Guangzhou factory in the current quarter. Accordingly, our accessories business only managed to sustain its sales level in the current quarter as compared to the previous quarter.

Plastics

With an enlarged customer and product base, our revenue from our plastics activities is experiencing steady growth in the current quarter as compared to that of the previous quarter.



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

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

(b) **Profitability**

9 months 2010 vs 9 months 2009

	Group		Increase (Decrease)	
	9 months ended 30 Sep			
	2010	2009	\$'000	%
Fish	3,463	5,843	(2,380)	(40.7)
Accessories	2,080	1,968	112	5.7
Plastics	789	868	(79)	(9.1)
Unallocated corporate expenses	(1,756)	(1,809)	53	2.9
	4,576	6,870	(2,294)	(33.4)

Our operating profit before taxation decreased by approximately \$2.3 million or 33.4% from approximately \$6.9 million for the 9 months ended 30 September 2009 to \$4.6 million for the 9 months ended 30 September 2010. Profit after taxation attributable to equity holders decreased by 24.7% from \$4.7 million for the 9 months ended 30 September 2009 to approximately \$3.6 million for the 9 months ended 30 September 2010. Despite a reduction in operating profit year-on-year, our ornamental fish business remained the main profit contributor in the current financial year.

3Q 2010 vs 3Q 2009

	Group		Increase (Decrease)	
	3Q			
	2010	2009	\$'000	%
Fish	1,006	2,050	(1,044)	(50.9)
Accessories	922	649	273	42.1
Plastics	306	202	104	51.5
Unallocated corporate expenses	(668)	(668)	-	-
	1,566	2,233	(667)	(29.9)

Fish

The significant dip in our operating profit from ornamental fish by approximately \$1.0 million or 50.9% from \$2.0 million to \$1.0 million in the 3rd quarter of 2010 as compared to its corresponding period in 2009 was mainly due to the following factors as mentioned earlier:-

- Although the supply of the self-bred Dragon Fish resumed in the 2nd quarter of 2010 after the production was affected by the unstable weather condition, as compared to the corresponding period in 2009, the quantity of these self-bred Dragon Fish available for sales was lower as the Dragon Fish off-springs need 3 to 6 months to grow into marketable size. The reduction in the supply of self-bred Dragon Fish has affected the profitability of the Dragon Fish sales in the 2nd and 3rd quarter of 2010 as sales of our self-bred Dragon Fish yielded better margin as compared to the sales of Dragon Fish sourced from third parties.
- As revenue contribution from the export of ornamental fish to the European countries were affected by the stronger SGD dollar and the weakening purchasing sentiments from the European markets during the 3rd quarter of 2010 as mentioned earlier, the operating profit from our ornamental fish business reduced accordingly.



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)**

3Q 2010 vs 3Q 2009 (cont'd)

- More resources have to be deployed to fulfil the necessary requirements in order to comply with the newly implemented European Union (EU) regulations on the export and import of ornamental fish. The stricter regulations imposed has also affected the regular supply of ornamental fish from certain of our suppliers which led us to explore other “non-traditional” markets for alternative supply of ornamental fish at a higher cost. This has sliced off some profitability of the ornamental fish business.

Accessories

Notwithstanding a reduction in revenue recorded in 3rd quarter of 2010 as compared to the corresponding period in 2009, our operating profit from accessories business increased by approximately \$0.3 million or 42.1% mainly due to better profit margin contributions from the export of accessories.

Plastics

Operating profit from our plastics activities increased by 51.5% in the 3rd quarter of 2010 despite a marginal increase in revenue as it has since managed to recoup its profit margin which was eroded since the beginning of the current financial year as a result of increasing raw material (resins) prices then. In addition, its profitability was further lifted with cost-saving measures put in place as compared to its corresponding period in 2009.

Unallocated corporate expenses

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

3Q 2010 vs 2Q 2010

	Group		Increase (Decrease)	
	3Q 2010 \$'000	2Q 2010 \$'000		
Fish	1,006	844	162	19.2
Accessories	922	608	314	51.6
Plastics	306	235	71	30.2
Unallocated corporate expenses	(668)	(470)	(198)	(42.1)
	1,566	1,217	349	28.7

Fish

The operating profit from our ornamental fish activities increased by approximately \$0.2 million or 19.2% in the current quarter as compared to the previous quarter mainly as a result of the sales of more self-bred Dragon Fish which yielded better margin as compared to the sales of Dragon Fish sourced from third parties. The shortage of supply of self-bred Dragon Fish in the 1st and 2nd quarter of 2010 has aggravated the profitability in the previous quarters. With the resumption of the supply of self-bred Dragon Fish in the 2nd quarter of 2010, we managed to sell more self-bred Dragon Fish in the 3rd quarter of 2010.



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)**

3Q 2010 vs 2Q 2010 (cont'd)

Accessories

With improved revenue generated and better profit margin contributions from our export of accessories, the profitability from our accessories business has shown significant improvement in the 3rd quarter of 2010 as compared to its previous quarter.

Plastics

The increase in operating profit from our plastics activities was in accordance with the steady increase in revenue contributions and the better profit margins yielded.

9 **VARIANCE FROM PROSPECT STATEMENT**

There is no variance from the previous prospect statement.

10 **PROSPECTS**

Our Group's growth in FY 2010 depends on:

- increase in our export of ornamental fish;
- escalation of our export of aquarium and pet accessories;
- introduction of new generation of revolutionary aquarium accessories;
- sustained growth in breeding and sales of selective bred Dragon Fish in a transforming market;
- increase in our sales revenue and cash flow generation; and
- expansion of our regional domestic distribution network.

The long term prospects of our Group are:

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

The above-mentioned prospects of the Group, which we have previously announced in detail in our Full Year Financial Statements and Dividend Announcement dated 11 January 2010 and as set out on pages 20 to 23 of our Annual Report 2009, are expected to continue to apply in the next quarter.



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

10 **PROSPECTS (cont'd)**

After a disappointing 2nd quarter, we are slowly but surely recovering from the adverse situation. Our business model remains robust and is diversified. We will continue to build a resilient balance sheet, work steadily on generating and maintaining a strong cash flow from operating activities and on reducing our bank borrowings in the coming quarter.

The Directors envisage that the Group will remain profitable in the 4th quarter of 2010 and that the 2nd half of the current financial year will be better than the 1st half.

11 **DIVIDEND**

No interim dividend for the 9 months ended 30 September 2010 is recommended.

12 **INTERESTED PERSON TRANSACTION**

Except for consultancy fees amounting to \$8,300 (30/9/2009: \$15,300) paid by the Group and by the Company to a company in which a director has a substantial interest, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during 3rd quarter and the 9 months ended 30 September 2010.

13 **SEGMENT INFORMATION**

(a) **Business segments**

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

The Group's activities comprise the following reportable segments:

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



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

* 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	9 months ended 30 Sep 2009				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	35,832	27,193	7,719	-	70,744
Inter-segment revenue	3,919	6,569	119	(10,607)	-
Total Revenue	39,751	33,762	7,838	(10,607)	70,744
Results					
EBITDA	7,430	2,647	973	(1,635)	9,415
Depreciation and amortisation	(1,246)	(615)	(104)	-	(1,965)
Interest expense	(344)	(32)	(1)	(174)	(551)
Interest income	3	1	-	-	4
	5,843	2,001	868	(1,809)	6,903
Share of losses of associates	-	(33)	-	-	(33)
Profit before income tax	5,843	1,968	868	(1,809)	6,870
Income tax expense	(901)	(263)	(115)	-	(1,279)
Profit for the period	4,942	1,705	753	(1,809)	5,591
Net profit margin	13.8%	6.3%	9.8%		7.9%
Assets and Liabilities					
Segment assets	63,755	31,925	3,715	2,246	101,641
Investment in associates	-	1,157	-	-	1,157
Segment liabilities	18,464	3,979	1,857	10,194	34,494
Other Segment Information					
Expenditures for non-current assets	4,433	1,401	17	-	5,851
Other non-cash items:					
Bad trade receivables recovered	(1)	-	-	-	(1)
Gain on disposal of property, plant and equipment	(5)	(16)	(6)	-	(27)
Property, plant and equipment written off	38	5	-	-	43
Allowance for (Write back of)					
- doubtful trade receivables	229	11	(1)	-	239
- inventory obsolescence	-	172	-	-	172

(b) **Geographical segments**

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

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



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

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

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

Group	Revenue		Segment non-current assets		Segment assets	
	9 months ended 30 Sep		9 months ended 30 Sep		9 months ended 30 Sep	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	22,044	19,568	9,659	9,136	33,329	32,020
Other Asian countries	28,048	28,227	39,716	37,639	71,906	68,699
Europe	10,407	15,539	766	752	766	922
Others	8,425	7,410	-	-	-	-
Total	68,924	70,744	50,141	47,527	106,001	101,641

(c) **Major customers**

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

14 **BREAKDOWN OF REVENUE**

Revenue (Group)	Fish \$'000	Accessories \$'000	Plastics \$'000	Total \$'000
3Q 2010				
Singapore (including domestic sales & sales to Singapore)	2,650	1,828	2,906	7,384
Overseas (including export to & sales in overseas)	8,691	6,819	59	15,569
Total revenue	11,341	8,647	2,965	22,953
3Q 2009				
Singapore	3,175	1,940	2,677	7,792
Overseas	8,823	7,190	69	16,082
Total revenue	11,998	9,130	2,746	23,874
9 months ended 30 Sep 2010				
Singapore (including domestic sales & sales to Singapore)	8,174	5,459	8,411	22,044
Overseas (including export to & sales in overseas)	26,848	19,836	196	46,880
Total revenue	35,022	25,295	8,607	68,924
9 months ended 30 Sep 2009				
Singapore	6,432	5,656	7,480	19,568
Overseas	29,430	21,507	239	51,176
Total revenue	35,862	27,163	7,719	70,744

BY ORDER OF THE BOARD

Kenny Yap Kim Lee

Executive Chairman and Managing Director

18 October 2010