



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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT

1(a) **INCOME STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2010**

	Note	Group			Group		
		3 months ended 30 Jun			6 months ended 30 Jun		
		2010 \$'000	2009 \$'000	Change %	2010 \$'000	2009 \$'000	Change %
Revenue		22,734	23,718	(4.1)	45,971	46,870	(1.9)
Cost of sales		(15,782)	(15,405)	2.4	(31,617)	(30,470)	3.8
Gross profit		6,952	8,313	(16.4)	14,354	16,400	(12.5)
Other operating income		40	39	2.6	78	68	14.7
		6,992	8,352	(16.3)	14,432	16,468	(12.4)
Selling & distribution expenses	i	(383)	(428)	(10.5)	(844)	(948)	(11.0)
General & administrative expenses	i	(5,204)	(5,183)	0.4	(10,274)	(10,496)	(2.1)
Results from operating activities	ii	1,405	2,741	(48.7)	3,314	5,024	(34.0)
Financial income	iii	1	2	(50.0)	2	3	(33.3)
Financial expenses	iii	(125)	(186)	(32.8)	(253)	(386)	(34.5)
		1,281	2,557	(49.9)	3,063	4,641	(34.0)
Share of losses of associates	iv	(64)	(5)	NM	(53)	(4)	NM
Profit before income tax		1,217	2,552	(52.3)	3,010	4,637	(35.1)
Income tax expense	v	(302)	(517)	(41.6)	(561)	(924)	(39.3)
Profit for the period		915	2,035	(55.0)	2,449	3,713	(34.0)
Attributable to:							
Equity holders of the Company		950	1,663	(42.9)	2,362	3,062	(22.9)
Non-controlling interests		(35)	372	(109.4)	87	651	(86.6)
Profit for the period		915	2,035	(55.0)	2,449	3,713	(34.0)
Gross profit margin		30.6%	35.0%		31.2%	35.0%	
Net profit margin		4.0%	8.6%		5.3%	7.9%	
Effective tax rate		24.8%	20.3%		18.6%	19.9%	

NM: Not Meaningful



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STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2010

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Jun</u>		<u>Change</u>	<u>6 months ended 30 Jun</u>		<u>Change</u>
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>	
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	915	2,035	(55.0)	2,449	3,713	(34.0)
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	11	(307)	(103.6)	1,385	(244)	(667.6)
Other comprehensive income for the period, net of tax	11	(307)	(103.6)	1,385	(244)	(667.6)
Total comprehensive income for the period	926	1,728	(46.4)	3,834	3,469	10.5
Attributable to:						
Equity holders of the Company	958	1,453	(34.1)	3,298	2,896	13.9
Non-controlling interests	(32)	275	(111.6)	536	573	(6.5)
Total comprehensive income for the period	926	1,728	(46.4)	3,834	3,469	10.5

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 our general and administrative expenses in the current quarter as compared to its corresponding period in 2009. Accordingly, in line with the cost saving measures in place, there was reduction in selling and distribution expenses incurred by the Group of approximately 11% for both the 2nd quarter and six months ended 30 June 2010.

(ii) **Profit from operations**

This is determined after charging (crediting) the following:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>		<u>6 months ended 30 Jun</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	36	36
- other auditors	6	5	13	11
Non-audit fees				
- other auditors	2	5	9	17
Directors' fees				
- directors of the Company	20	15	35	30
Directors' remuneration				
- directors of the Company	196	277	510	574
- directors of subsidiaries	145	136	283	272
Amortisation of product listing fees	-	3	-	6



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Notes to Income Statement (cont'd)

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

	<u>Group</u>		<u>Group</u>	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Bad trade receivables recovered	-	-	(1)	(1)
Depreciation of				
- property, plant and equipment	539	507	1,070	1,021
- brooder stocks	170	145	339	288
Property, plant and equipment written off	-	2	10	21
Gain on disposal of property, plant and equipment	(4)	(8)	(5)	(18)
Allowance for (Write back of)				
- doubtful trade receivables	10	16	29	159
- inventory obsolescence	40	18	(18)	64
Operating lease expenses	282	264	559	535
Personnel expenses *	2,791	2,980	5,985	6,060
Exchange gain, net	(238)	(22)	(514)	(267)

* Include directors' remuneration.

(iii) **Financial income**
Financial expenses

	<u>Group</u>		<u>Group</u>	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Interest expense				
- bank loans and overdrafts	76	147	150	290
- bills payable	40	31	85	80
- finance lease liabilities	9	8	18	16
	<u>125</u>	<u>186</u>	<u>253</u>	<u>386</u>
Interest income				
- bank deposits	(1)	(2)	(2)	(3)
Net financial expenses	<u>124</u>	<u>184</u>	<u>251</u>	<u>383</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 during the 2nd quarter and 1st half of 2010 as compared to the corresponding periods in 2009.

(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 aquarium tank production line in operation by September 2010, it will enhance the efficiency and productivity of the factory and should improve its profitability accordingly.



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(v) **Income tax expense**

	Group		Group	
	3 months ended 30 Jun		6 months ended 30 Jun	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Current tax				
- current year	302	517	611	924
- under provision in respect of prior year	10	-	10	-
Deferred tax				
- over provision in respect of prior year	(10)	-	(60)	-
	302	517	561	924

Despite the tax incentives granted for qualifying expenditures, the effective tax rate registered for the 2nd quarter of 2010 and the half year ended 30 June 2010 were higher than the amount obtained by applying the statutory tax rate of 17% on profit before income tax mainly due to losses incurred by some subsidiaries which cannot be offset against profits earned by other companies in the Group and the varying statutory tax rates of different countries in which the Group operates.



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

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Equity attributable to equity holders of the Company				
Share capital	30,605,071	29,654,922	30,605,071	29,654,922
Reserves	30,627,582	29,571,319	16,444,392	16,163,180
	61,232,653	59,226,241	47,049,463	45,818,102
Non-Controlling Interests	10,425,360	9,993,905	-	-
Total Equity	71,658,013	69,220,146	47,049,463	45,818,102
Non-Current Assets				
Property, plant and equipment	16,109,131	15,941,572	6,210,938	6,490,153
Brooder stocks	31,303,115	30,315,749	3,084,672	3,118,922
Investments in subsidiaries	-	-	12,012,586	11,991,086
Investments in associates	1,117,311	1,170,729	1,215,200	1,215,200
Intangible assets	2,308,668	2,308,668	343,048	343,048
Current Assets				
Inventories	23,083,488	20,953,851	6,643,986	6,013,978
Breeder stocks	1,505,620	1,505,620	420,250	420,250
Trade receivables	17,851,160	18,095,023	8,181,422	7,515,594
Other receivables, deposits and prepayments	2,724,094	2,291,442	845,465	700,011
Due from				
- subsidiaries (trade)	-	-	18,525,134	18,364,613
- subsidiaries (non-trade)	-	-	3,854,824	4,111,996
- associates (trade)	1,133,188	1,337,808	4,182	143,290
Fixed deposits	24,560	24,560	24,560	24,560
Cash and bank balances	8,785,267	9,822,054	4,515,471	5,296,701
	55,107,377	54,030,358	43,015,294	42,590,993
Current Liabilities				
Trade payables	8,636,311	7,663,353	4,229,889	3,391,840
Bills payable to banks (unsecured)	4,679,110	4,290,129	669,375	709,078
Other payables and accruals	3,621,527	4,717,107	2,650,693	3,679,971
Due to				
- subsidiaries (trade)	-	-	61,492	82,028
- subsidiaries (non-trade)	-	-	880,000	1,430,000
- associates (trade)	34,473	-	34,473	-
Finance lease liabilities	170,491	179,992	60,757	73,221
Bank term loans	10,031,942	10,333,097	9,500,000	9,800,000
Current tax payable	974,743	1,250,252	547,257	567,182
	28,148,597	28,433,930	18,633,936	19,733,320
Net Current Assets	26,958,780	25,596,428	24,381,358	22,857,673
Non-Current Liabilities				
Finance lease liabilities	(400,535)	(321,502)	(98,339)	(97,980)
Bank term loans	(1,514,473)	(1,735,234)	-	-
Deferred tax liabilities	(4,223,984)	(4,056,264)	(100,000)	(100,000)
Net Assets	71,658,013	69,220,146	47,049,463	45,818,102



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

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
Inventory turnover (days)	135	137	73	80
Trade receivables turnover (days)	71	73	60	57
Debt equity ratio	0.48	0.50	0.40	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 Jun 2010	31 Dec 2009	30 Jun 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 Jun 2010	31 Dec 2009	30 Jun 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	(97,889)	(44,471)	-	-
	<u>1,117,311</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 Jun 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 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Trademarks/customer acquisition costs	938,858	938,051	921,497	921,497
Product listing fess	196,153	196,153	196,153	196,153
Goodwill on consolidation	1,965,620	1,965,620	-	-
	<u>3,100,631</u>	<u>3,099,824</u>	<u>1,117,650</u>	<u>1,117,650</u>
Less accumulated amortisation	(791,963)	(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 cost paid to third parties in relation to the entitlements to list and sell the Company's products in certain supermarkets, and are amortised over 3 years.

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of subsidiaries acquired. 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 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Fish	4,691,307	5,750,255	1,734,600	2,335,058
Accessories	18,138,825	15,030,420	5,321,386	4,108,920
Plastics products - raw materials	282,091	283,461	-	-
Plastics products - finished goods	477,055	413,505	-	-
	<u>23,589,278</u>	<u>21,477,641</u>	<u>7,055,986</u>	<u>6,443,978</u>
Less allowance for inventory obsolescence	(505,790)	(523,790)	(412,000)	(430,000)
	<u>23,083,488</u>	<u>20,953,851</u>	<u>6,643,986</u>	<u>6,013,978</u>

The increase in accessories inventory balance as at 30 June 2010 was mainly due to higher raw materials and finished goods held in our Guangzhou factory for production orders in relation to new products launched in May 2010 at the INTERZOO trade show. The delivery of these products is due in the 3rd quarter of 2010. Accordingly, it has resulted in the increase in trade and bills payables as at 30 June 2010.

(5) Trade receivables comprise:

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Trade receivables	19,920,172	20,141,960	10,020,575	9,333,135
Less allowance for doubtful trade receivables	(2,069,012)	(2,046,937)	(1,839,153)	(1,817,541)
	<u>17,851,160</u>	<u>18,095,023</u>	<u>8,181,422</u>	<u>7,515,594</u>

Our conscientious effort made in monitoring and collection of trade receivables balances has resulted in the decrease in the amount of trade receivables as at 30 June 2010. Accordingly, the trade receivables turnover days have decreased from 73 days as at 31 December 2009 to 71 days as at 30 June 2010. The Group typically grants existing customers credit terms of 30 to 90 days.

(6) Other receivables, deposits and prepayments comprise:

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Other receivables	374,312	342,225	142,815	144,215
Deposits	369,243	309,718	58,430	58,630
Prepayments	863,788	676,562	253,592	197,031
Advances to suppliers	426,350	301,616	390,628	300,135
Tax recoverable	690,401	661,321	-	-
	<u>2,724,094</u>	<u>2,291,442</u>	<u>845,465</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 June 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.

- (7) Other payables and accruals comprise:

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	\$	\$	\$	\$
Accrued operating expenses	184,906	321,336	72,704	145,822
Accrued staff costs	860,660	2,020,451	516,849	1,554,058
Other payables	2,512,842	2,347,739	2,053,986	1,974,513
Advance received from customers	63,119	27,581	7,154	5,578
	3,621,527	4,717,107	2,650,693	3,679,971

The reduction of other payables and accruals as at 30 June 2010 was mainly due to the decrease in accrued staff costs as a result of bonus payment made in January 2010.

- (8) The increase in finance lease liabilities as at 30 June 2010 was due to the purchase of four motor vehicles under hire purchase arrangements during the 1st half of 2010.



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

	Group		Company	
	30 Jun 2010	31 Dec 2009	30 Jun 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	531,942	499,146	-	-
	531,942	533,097	-	-
	<u>10,031,942</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	1,514,473	1,695,784	-	-
	1,514,473	1,735,234	-	-
	<u>11,546,415</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 1.45% to 1.94% (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 June 2010, taken by a subsidiary, comprise:

- a 5-year unsecured bank loan of RM1.85 million, bears interest at 7.55% (31/12/2009: 7.05%) per annum and is repayable in 60 monthly instalments commencing August 2006;
- a 10-year unsecured bank loan of RM2.5 million, bears interest at 7.55% (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 7.05% (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) which bore interest at 6.80% per annum and was repayable in 84 monthly instalments commencing January 2005. This amount has since been fully repaid in April 2010.

As at 30 June 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 SECOND QUARTER AND SIX MONTHS ENDED
30 JUNE 2010**

	Group		Group	
	3 months ended 30 Jun 2010	2009	6 months ended 30 Jun 2010	2009
	\$	\$	\$	\$
Cash flows from operating activities				
Profit before income tax	1,216,909	2,552,810	3,009,790	4,637,109
Adjustments for:				
Bad trade receivables				
- written off	52	27	376	54
- recovered	-	-	(721)	(755)
Depreciation of				
- property, plant and equipment	538,965	506,799	1,069,762	1,021,277
- brooder stocks	169,655	144,871	339,309	288,180
Gain on disposal of property, plant and equipment	(4,158)	(8,048)	(4,642)	(17,963)
Property, plant and equipment written off	169	2,459	10,358	20,913
Amortisation of product listing fees	-	2,774	-	5,548
Allowance for (Write back of)				
- doubtful trade receivables	10,171	15,955	28,671	159,340
- inventory obsolescence	40,000	17,500	(18,000)	64,300
Share of losses of associates	63,940	4,158	53,418	3,514
Interest expense	125,299	186,002	253,610	386,548
Interest income	(1,555)	(2,328)	(2,407)	(3,446)
Operating profit before working capital changes	2,159,447	3,422,979	4,739,524	6,564,619
(Increase) Decrease in:				
Inventories	(1,283,981)	532,679	(2,208,699)	(783,984)
Trade receivables	(346,909)	(1,278,594)	454,770	1,722,670
Other receivables, deposits and prepayments	(186,069)	(194,280)	(360,452)	520,009
Due from associates (trade)	108,154	154,517	210,391	(37,718)
Increase (Decrease) in:				
Trade payables	673,006	1,150,327	869,520	(944,541)
Bills payable to banks	51,626	541,895	214,296	422,236
Other payables and accruals	(23,907)	(52,870)	(1,174,137)	(1,278,786)
Due to associates (trade)	34,473	-	34,473	-
Cash generated from operating activities	1,185,840	4,276,653	2,779,686	6,184,505
Payment of income tax	(789,591)	(570,085)	(871,639)	(784,940)
Net cash from operating activities	396,249	3,706,568	1,908,047	5,399,565
Cash flows from investing activities				
Purchase of				
- property, plant and equipment	(337,881)	(703,403)	(656,529)	(1,886,044)
- brooder stocks	-	(1,576,090)	-	(1,828,980)
Proceeds from disposal of property, plant and equipment	4,771	13,967	5,255	28,120
Payment for trademarks/customer acquisition costs	-	(21,670)	-	(74,251)
Interest received	1,555	2,328	2,407	3,446
Net cash used in investing activities	(331,555)	(2,284,868)	(648,867)	(3,757,709)



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1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2010 (cont'd)**

	Group		Group	
	3 months ended 30 Jun 2010	2009	6 months ended 30 Jun 2010	2009
	\$	\$	\$	\$
Cash flows from financing activities				
Proceeds from issuance of new shares	34,103	27,787	950,149	201,583
Drawdown of bank term loans	-	395,000	-	813,000
Repayment of				
- finance lease liabilities	(92,341)	(51,595)	(112,960)	(102,505)
- bank term loans	(196,177)	(98,708)	(632,567)	(172,552)
- loans from non-controlling shareholder of a subsidiary	-	(13,715)	-	(68,865)
Payment of dividends to				
- shareholders of the Company	(2,241,701)	(840,346)	(2,241,701)	(840,346)
- non-controlling shareholder of a subsidiary	-	-	(104,160)	-
Interest paid	(125,628)	(187,681)	(256,562)	(392,038)
Net cash used in financing activities	<u>(2,621,744)</u>	<u>(769,258)</u>	<u>(2,397,801)</u>	<u>(561,723)</u>
Net (decrease) increase in cash and cash equivalents	(2,557,050)	652,442	(1,138,621)	1,080,133
Cash and cash equivalents at beginning of period	11,360,029	7,170,719	9,846,614	6,704,033
Effect of exchange rate changes on cash balances held in foreign currencies	6,848	(65)	101,834	38,930
Cash and cash equivalents at end of period (Note i)	<u>8,809,827</u>	<u>7,823,096</u>	<u>8,809,827</u>	<u>7,823,096</u>

Notes to Statement of Cash Flows

(i) Cash and cash equivalents comprise:

	Group	
	30 Jun 2010	30 Jun 2009
	\$	\$
Fixed deposits	24,560	24,560
Cash and bank balances	8,785,267	9,581,111
Bank overdrafts	-	(1,782,575)
	<u>8,809,827</u>	<u>7,823,096</u>

(ii) Despite our ability to realise the trade receivables and amount due from associates balances into cash balances for the settlement of other payables and accruals, a lower operating profit generated on a quarter-on-quarter basis and an increase in inventory balances during the 1st half of 2010 has resulted in a reduction in the Group's **net cash from operating activities** during the 1st half of 2010 as compared to its corresponding period in 2009.

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.



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Notes to Statement of Cash Flows (cont'd)

During the 1st half of 2010, there were cash proceeds received from the issuance of new shares arising from exercise of warrants which was 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					Non-controlling interests \$	Total Equity \$
	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$			
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	



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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>

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	27,147,112	950,149
Balance as at 30 Jun 2010	<u>449,314,429</u>	<u>30,605,071</u>

The Company issued 64,965,868 warrants in September 2007, 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 1st half of 2010, an additional 27,147,112 warrants were exercised by warrant holders to subscribe for 27,147,112 new shares of the Company.

Subsequent to the balance sheet date, of the 5,447,241 warrants outstanding as at 30 June 2010, an additional 72,310 warrants were exercised for 72,310 new ordinary shares of the Company.

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



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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 second quarter and half year ended 30 June 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
19 July 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 Jun</u>		<u>6 months ended 30 Jun</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
EPS (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.21	0.39	0.54	0.73
- on a fully diluted basis (cents)	0.21	0.38	0.53	0.70

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 440,769,045 (30/6/2009: 418,854,283).

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 444,875,545 (30/6/2009: 440,390,324).



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7 **NET ASSET VALUE PER SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2010</u>	<u>31 Dec 2009</u>	<u>30 Jun 2010</u>	<u>31 Dec 2009</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	15.95	16.40	10.47	10.85

Net asset value per share is computed based on the number of shares in issue as at 30 June 2010 of 449,314,429 (31/12/2009: 422,167,317).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

6 months 2010 vs 6 months 2009

	<u>Group</u>		<u>Increase</u>	
	<u>6 months ended 30 Jun</u>		<u>(Decrease)</u>	
	<u>2010</u>	<u>2009</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	
Fish	23,681	23,864	(183)	(0.8)
Accessories	16,648	18,033	(1,385)	(7.7)
Plastics	5,642	4,973	669	13.5
	<u>45,971</u>	<u>46,870</u>	<u>(899)</u>	<u>(1.9)</u>

For the 6 months ended 30 June 2010, the ornamental fish and accessories activities continued to be our core activities, which together accounted for almost 88% of total revenue. Our revenue decreased by approximately \$0.9 million or 1.9% from \$46.9 million for the 6 months ended 30 June 2009 to \$46.0 million for the 6 months ended 30 June 2010.

On a geographical basis, revenue from Singapore grew by 24.5% while overseas dipped by 10.8% in the 1st half of 2010 as compared to its corresponding period in 2009.

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

2Q 2010 vs 2Q 2009

	<u>Group</u>		<u>Increase</u>	
	<u>2Q</u>		<u>(Decrease)</u>	
	<u>2010</u>	<u>2009</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	
Fish	11,335	12,012	(677)	(5.6)
Accessories	8,578	9,151	(573)	(6.3)
Plastics	2,821	2,555	266	10.4
	<u>22,734</u>	<u>23,718</u>	<u>(984)</u>	<u>(4.1)</u>

Our revenue decreased by approximately \$1.0 million or 4.1% in the 2nd quarter of 2010 as compared to its corresponding period in 2009.



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

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

2Q 2010 vs 2Q 2009 (cont'd)

Fish

Our continuous effort to increase our export of ornamental fish to more customers and countries around the world from Singapore, Malaysia and Thailand, has given rise to positive growth in our ornamental fish revenue during the current quarter. The improvement, however, was offset by the following factors, hence, resulting in a reduction in our ornamental fish revenue by approximately \$0.7 million or 5.6% in the 2nd quarter of 2010 as compared to its corresponding period in 2009:-

- Unprecedented severe hot weather from end January to February has resulted in a month-long drought in Malaysia and the unstable weather condition thereafter has led to a low supply of Dragon Fish fries during the 1st quarter of 2010 till early April. As the supply of self-bred Dragon Fish from our Malaysia farm has since resumed in the 2nd quarter of 2010, we envisage that our Dragon Fish sales will continue to grow in tandem with our other ornamental fish revenue in the coming quarters with the constant supply of self-bred Dragon Fish.
- Widespread airport closures and flight cancellations over European air space from mid-April to early May as a result of the Icelandic volcanic ash has affected our ornamental fish shipments to various European countries during this period. 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 FIFA World Cup football tournament held in June to July this year has also affected the export of our ornamental fish to many countries over the world as it has been the norm that consumers do not actively make ornamental fish related purchases during the duration of the tournament.

Accessories

In the 2nd quarter of 2010, our accessories operations located in Bangkok, which accounts for approximately 15% of our total accessories revenue, experienced temporary disruption as a result of the political riots in Bangkok from mid-March to mid-May. During this period, our domestic accessories wholesale activities, as well as our retail chain stores in Bangkok's downtown area, drew to a halt during the violent demonstrations and curfews. This, coupled with the weak purchasing sentiments in Bangkok during the riot period and the lower accessories export from our Guangzhou factory during the World Cup period (see reason above), has resulted in a reduction in our accessories revenue by approximately \$0.6 million or 6.3% in the 2nd quarter of 2010 as compared to its corresponding period in 2009.

Plastics

Revenue from plastics activities continue to register a steady increase of approximately \$0.3 million or 10.4% 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.



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

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

2Q 2010 vs 1Q 2010

	<u>Group</u>		Increase (Decrease)	
	2Q 2010	1Q 2010		
	\$'000	\$'000	\$'000	%
Fish	11,335	12,346	(1,011)	(8.2)
Accessories	8,578	8,070	508	6.3
Plastics	2,821	2,821	-	-
	<u>22,734</u>	<u>23,237</u>	<u>(503)</u>	<u>(2.2)</u>

Our revenue decreased by \$0.5 million or 2.2% from \$23.2 million in the 1st quarter of 2010 to \$22.7 million in the 2nd quarter of 2010 mainly due to the significant reduction in ornamental fish revenue during the current quarter as compared to the previous quarter.

Fish

During the 2nd quarter of 2010, the ornamental fish revenue took a plunge of \$1 million or 8.2% as compared to the previous quarter as its export sales suffered a temporary blip due to the closure of Europe airspace and flights disruption as a result of volcanic ash and the low business activities during the recent FIFA World Cup football tournament period as mentioned earlier.

In addition, the unprecedented severe hot weather and the unstable weather condition in Malaysia have resulted in a decline in the supply of self-bred Dragon Fish fries during the 1st quarter of 2010 till early April, hence affecting the revenue contribution from ornamental fish in the current quarter. We will be able to record healthy sales from self-bred Dragon Fish in the coming quarters with the resumption of the supply of our Dragon Fish from our Malaysia farm in the 2nd quarter of 2010.

Accessories

Although our accessories revenue in the current quarter was affected by the Bangkok riots and the low export business from our Guangzhou factory as mentioned earlier, the increase in sales contribution by \$0.5 million or 6.3% in the current quarter as compared to the previous quarter was mainly owing to a much lower accessories revenue registered in that quarter. In the 1st quarter of 2010, we experienced loss of sales resulting from the delay in delivery from our suppliers because of shortage of labour, coupled with the increasing material costs as mentioned in our First Quarter Financial Statements Announcement released in April 2010. The low revenue base reported in the 1st quarter of 2010 gave rise to a relatively higher accessories revenue contribution in the current quarter, despite the various negative factors affecting its performance in the current quarter.

Plastics

Revenue from our plastics activities remained consistent in the current quarter, comparable to that of the previous quarter.



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

(b) **Profitability**

6 months 2010 vs 6 months 2009

	Group			
	6 months ended 30 Jun			
	2010	2009	Decrease	
	\$'000	\$'000	\$'000	%
Fish	2,457	3,793	(1,336)	(35.2)
Accessories	1,158	1,319	(161)	(12.2)
Plastics	483	666	(183)	(27.5)
Unallocated corporate expenses	(1,088)	(1,141)	53	4.6
	3,010	4,637	(1,627)	(35.1)

Our operating profit before taxation decreased by approximately \$1.6 million or 35.1% from \$4.6 million for the half year ended 30 June 2009 to \$3.0 million for the half year ended 30 June 2010. Profit after taxation attributable to equity holders decreased by 22.9% from \$3.1 million for the 6 months ended 30 June 2009 to approximately \$2.4 million for the 6 months ended 30 June 2010. Our fish business was the main profit contributor in the 1st half of 2010.

2Q 2010 vs 2Q 2009

	Group			
	2Q	2Q		
	2010	2009	Decrease	
	\$'000	\$'000	\$'000	%
Fish	844	2,020	(1,176)	(58.2)
Accessories	608	717	(109)	(15.2)
Plastics	235	294	(59)	(20.1)
Unallocated corporate expenses	(470)	(479)	9	1.9
	1,217	2,552	(1,335)	(52.3)

Fish

The significant dip in our operating profit from ornamental fish by approximately \$1.2 million or 58.2% from \$2.0 million to \$0.8 million in the 2nd quarter of 2010 as compared to its corresponding period in 2009 was mainly due to the following factors as mentioned earlier:-

- Although with the completion of the new breeding facilities in our Singapore and Malaysia farms which should increase the supply of self-bred Dragon Fish available for sales, the unprecedented severe hot weather from end January to February has resulted in a month-long drought in Malaysia and the unstable weather condition thereafter has led to a low supply of Dragon Fish fries during the 1st quarter of 2010 till early April. The reduction in the supply of self-bred Dragon Fish has affected the profitability of the Dragon Fish sales in the 1st and 2nd 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.
(P.S. Dragon Fish off-springs need 3 to 6 months to grow into marketable size)
- As revenue contribution from the export of ornamental fish was affected by the closure of the Europe airspace and the low business activities during the recent FIFA World Cup period in the 2nd quarter of 2010, the operating profit from our ornamental fish business reduced accordingly.



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

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

2Q 2010 vs 2Q 2009 (cont'd)

Accessories

The decline in profitability from our accessories business by \$0.1 million or 15.2% in the 2nd quarter of 2010 as compared to its corresponding period in 2009 was in line with the lower revenue contribution. In addition, with effect from May 2010, our Guangzhou factory registered higher wage cost following the salary revision so as to comply with the China “minimum wage” policy. This has sliced off some profitability of the accessories business.

Plastics

Despite registering an increase in revenue contribution, the operating profit from our plastics activities dipped by \$0.1 million or 20.0% on a quarter-on-quarter basis mainly due to an erosion in profit margin as a result of increasing raw material prices (resins – which fluctuate with the oil prices).

Unallocated corporate expenses

These were staff costs and administrative expenses incurred in relation to the overseeing of both the Group’s local and overseas operations. The marginally lower corporate expenses reported were due to 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.

2Q 2010 vs 1Q 2010

	<u>Group</u>		<u>Increase</u>	
	<u>2Q</u>	<u>1Q</u>	<u>(Decrease)</u>	
	<u>2010</u>	<u>2010</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	844	1,613	(769)	(47.7)
Accessories	608	550	58	10.5
Plastics	235	248	(13)	(5.2)
Unallocated corporate expenses	(470)	(618)	148	23.9
	<u>1,217</u>	<u>1,793</u>	<u>(576)</u>	<u>(32.1)</u>

Fish

The operating profit from our ornamental fish activities decreased by approximately \$0.8 million or 47.7% in the current quarter as compared to the previous quarter mainly as a result of the difference in sales mix, coupled with the lower sales of 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 caused by the drought since end January has aggravated the profitability in the current quarter as Dragon Fish off-springs need 3 to 6 months to grow into marketable size. With the resumption of the supply of self-bred Dragon Fish in the 2nd quarter of 2010, we would be able to sell more self-bred Dragon Fish in the 3rd quarter of 2010.

The decline in profitability from our ornamental fish business was also in line with the drop in revenue contribution from our export business due to reasons as mentioned earlier.



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

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

2Q 2010 vs 1Q 2010 (cont'd)

Accessories

The increase in operating profit from our accessories activities were in accordance with the steady increase in revenue contributions from 1st quarter of 2010 to 2nd quarter of 2010.

Plastics

As mentioned earlier, despite registering stable revenue contribution, the operating profit from our plastics activities dipped in the 2nd quarter of 2010 mainly due to higher raw material costs (resins) which has eroded its profit margin, as well as the difference in product mix recorded in both quarters.

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.



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10 **PROSPECTS**

As announced in our First Quarter Financial Statements Announcement dated 19 April 2010, the unprecedented severe hot weather from end January to February and the unstable weather condition thereafter has reduced the supply of self-bred Dragon Fish fries. This has affected the profitability of the Dragon Fish sales in the 2nd quarter of 2010 as Dragon Fish off-springs need 3 to 6 months to grow into marketable size. However, the situation has since stabilised when the Dragon Fish production resumed in the 2nd quarter of 2010.

In addition, the triple whammy of air traffic disruption due to volcanic ash, political riot in Bangkok and the month-long World Cup football tournament which each has an adverse effect on the Group's sales and profitability during the 2nd quarter of 2010 were unforeseen circumstances which we viewed as one-off incidences.

The Directors stay confident that the Group will remain profitable in FY 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 half year ended 30 June 2010 is recommended.

12 **INTERESTED PERSON TRANSACTION**

Except for consultancy fees amounting to \$8,300 (30/6/2009: \$8,300) 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 second quarter and the half year ended 30 June 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.



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

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

Group	6 months ended 30 Jun 2010				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	24,089	16,240	5,642	-	45,971
Inter-segment revenue	1,635	5,969	92	(7,696)	-
Total Revenue	25,724	22,209	5,734	(7,696)	45,971
Results					
EBITDA *	3,552	1,649	544	(1,022)	4,723
Depreciation and amortisation	(936)	(412)	(61)	-	(1,409)
Interest expense	(160)	(26)	(1)	(66)	(253)
Interest income	1	-	1	-	2
	2,457	1,211	483	(1,088)	3,063
Share of losses of associates	-	(53)	-	-	(53)
Profit before income tax	2,457	1,158	483	(1,088)	3,010
Income tax expense	(319)	(187)	(55)	-	(561)
Profit for the year	2,138	971	428	(1,088)	2,449
Net profit margin	8.9%	6.0%	7.6%		5.3%
Assets and Liabilities					
Segment assets	67,094	34,126	3,638	1,088	105,946
Investments in associates	-	1,117	-	-	1,117
Segment liabilities	18,053	4,998	1,795	9,442	34,288
Other Segment Information					
Expenditures for non-current assets **	278	465	85	-	828
Other non-cash items:					
Bad trade receivables recovered	(1)	-	-	-	(1)
Gain on disposal of property, plant and equipment	-	(5)	-	-	(5)
Property, plant and equipment written off	10	-	-	-	10
Allowance for (Write back of)					
- doubtful trade receivables	-	29	-	-	29
- inventory obsolescence	-	(18)	-	-	(18)

* 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	6 months ended 30 Jun 2009				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	23,864	18,033	4,973	-	46,870
Inter-segment revenue	2,233	3,985	80	(6,298)	-
Total Revenue	26,097	22,018	5,053	(6,298)	46,870
Results					
EBITDA	4,852	1,759	739	(1,011)	6,339
Depreciation and amortisation	(828)	(415)	(72)	-	(1,315)
Interest expense	(234)	(21)	(1)	(130)	(386)
Interest income	3	-	-	-	3
	3,793	1,323	666	(1,141)	4,641
Share of losses of associate	-	(4)	-	-	(4)
Profit before income tax	3,793	1,319	666	(1,141)	4,637
Income tax expense	(657)	(180)	(87)	-	(924)
Profit for the year	3,136	1,139	579	(1,141)	3,713
Net profit margin	13.1%	6.3%	11.6%		7.9%
Assets and Liabilities					
Segment assets	65,319	31,599	3,823	1,314	102,055
Investment in associate	-	784	-	-	784
Segment liabilities	20,126	3,728	1,792	10,845	36,491
Other Segment Information					
Expenditures for non-current assets	2,941	936	13	-	3,890
Other non-cash items:					
Bad trade receivables recovered	-	(1)	-	-	(1)
Gain on disposal of property, plant and equipment	-	(18)	-	-	(18)
Property, plant and equipment written off	21	-	-	-	21
Allowance for (Write back of)					
- doubtful trade receivables	155	6	(2)	-	159
- inventory obsolescence	-	64	-	-	64

(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	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	14,660	11,776	9,885	7,748	33,908	32,857
Other Asian countries	18,056	19,591	40,188	38,002	71,273	68,414
Europe	7,683	10,411	765	784	765	784
Others	5,572	5,092	-	-	-	-
Total	45,971	46,870	50,838	46,534	105,946	102,055

(c) **Major customers**

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

14 **BREAKDOWN OF REVENUE**

Revenue (Group)	Fish \$'000	Accessories \$'000	Plastics \$'000	Total \$'000
2Q 2010				
Singapore (including domestic sales & sales to Singapore)	2,953	1,796	2,760	7,509
Overseas (including export to & sales in overseas)	8,382	6,782	61	15,225
Total revenue	11,335	8,578	2,821	22,734
2Q 2009				
Singapore	1,655	1,824	2,461	5,940
Overseas	10,357	7,327	94	17,778
Total revenue	12,012	9,151	2,555	23,718
6 months ended 30 Jun 2010				
Singapore (including domestic sales & sales to Singapore)	5,524	3,631	5,505	14,660
Overseas (including export to & sales in overseas)	18,157	13,017	137	31,311
Total revenue	23,681	16,648	5,642	45,971
6 months ended 30 Jun 2009				
Singapore	3,257	3,716	4,803	11,776
Overseas	20,607	14,317	170	35,094
Total revenue	23,864	18,033	4,973	46,870

BY ORDER OF THE BOARD

Kenny Yap Kim Lee
Executive Chairman and Managing Director
19 July 2010