



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

**HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT**

1(a) **STATEMENT OF PROFIT AND LOSS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2008**

	Note	Group			Group		
		3 months ended 30 Jun		Change	6 months ended 30 Jun		Change
		2008	2007		2008	2007	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		23,576	22,428	5.1	46,590	44,409	4.9
Cost of sales		(15,264)	(14,268)	7.0	(29,865)	(28,786)	3.7
<b>Gross profit</b>		<b>8,312</b>	<b>8,160</b>	<b>1.9</b>	<b>16,725</b>	<b>15,623</b>	<b>7.1</b>
Other operating income		43	94	(54.3)	78	160	(51.3)
		<b>8,355</b>	<b>8,254</b>	<b>1.2</b>	<b>16,803</b>	<b>15,783</b>	<b>6.5</b>
Selling & distribution expenses	i	(759)	(799)	(5.0)	(1,584)	(1,501)	5.5
General & administrative expenses	i	(4,994)	(5,070)	(1.5)	(10,297)	(10,039)	2.6
<b>Profit from operations</b>	ii	<b>2,602</b>	<b>2,385</b>	<b>9.1</b>	<b>4,922</b>	<b>4,243</b>	<b>16.0</b>
Financial income	iii	3	1	200.0	13	4	225.0
Financial expenses	iii	(210)	(213)	(1.4)	(445)	(406)	9.6
		<b>2,395</b>	<b>2,173</b>	<b>10.2</b>	<b>4,490</b>	<b>3,841</b>	<b>16.9</b>
Share of (loss) profit of associate		(29)	-	-	2	-	-
<b>Profit before taxation</b>		<b>2,366</b>	<b>2,173</b>	<b>8.9</b>	<b>4,492</b>	<b>3,841</b>	<b>16.9</b>
Taxation	iv	(517)	(588)	(12.1)	(1,035)	(1,023)	1.2
<b>Profit for the period</b>		<b>1,849</b>	<b>1,585</b>	<b>16.7</b>	<b>3,457</b>	<b>2,818</b>	<b>22.7</b>
Attributable to:							
<b>Equity holders of the Company</b>		<b>1,508</b>	<b>1,155</b>	<b>30.6</b>	<b>2,774</b>	<b>2,102</b>	<b>32.0</b>
Minority interests		341	430	(20.7)	683	716	(4.6)
		<b>1,849</b>	<b>1,585</b>	<b>16.7</b>	<b>3,457</b>	<b>2,818</b>	<b>22.7</b>
Gross profit margin		35.3%	36.4%		35.9%	35.2%	
Net profit margin		7.8%	7.1%		7.4%	6.3%	

**Notes to Statement of Profit and Loss**

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

The marginal increase in operating expenses in the 1<sup>st</sup> half of 2008 by approximately \$0.3 million as compared to its corresponding period in 2007 was mainly due to higher personnel expenses incurred as a result of annual salary revision and the increase in overall headcount of the Group. This was in line with the higher revenue contributions and the expansion of the Group's operations.



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**Notes to Statement of Profit and Loss (cont'd)**

(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>3 months ended 30 Jun</u>	<u>6 months ended 30 Jun</u>	<u>6 months ended 30 Jun</u>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration				
- auditors of the Company	18	21	36	39
- other auditors	4	5	10	11
Non-audit fees				
- other auditors	15	17	15	17
Directors' fees				
- directors of the Company	15	8	25	18
Directors' remuneration				
- directors of the Company	300	202	549	404
- directors of subsidiaries	139	210	248	362
Amortisation of product listing fees	5	10	12	20
Bad trade receivables				
- written off	4	-	6	-
- recovered	(17)	-	(17)	-
Depreciation of				
- property, plant and equipment	467	464	936	940
- brooder stocks	122	91	239	173
Gain on disposal of property, plant and equipment	(27)	(47)	(27)	(76)
Allowance for				
- doubtful trade receivables	59	188	66	428
- inventory obsolescence	-	83	35	83
Operating lease expenses	251	239	532	493
Personnel expenses *	2,919	2,799	6,101	5,672
Exchange gain, net	(85)	(195)	(139)	(280)

\* Include directors' remuneration.

(iii) **Financial income**  
**Financial expenses**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>	<u>3 months ended 30 Jun</u>	<u>6 months ended 30 Jun</u>	<u>6 months ended 30 Jun</u>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$'000	\$'000	\$'000	\$'000
Interest expenses				
- bank loans and overdrafts	143	144	304	270
- bills payable	59	61	123	118
- finance lease obligation	8	8	18	18
	<u>210</u>	<u>213</u>	<u>445</u>	<u>406</u>
Interest income				
- bank deposits	(3)	(1)	(13)	(4)
Net financial expenses	<u>207</u>	<u>212</u>	<u>432</u>	<u>402</u>



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**Notes to Statement of Profit and Loss (cont'd)**

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

The higher amount of bank borrowings outstanding during the 1<sup>st</sup> half of 2008 has resulted in the increase in interest expenses as compared to 1<sup>st</sup> half of 2007. However, due to the continuous fall in interest rate since December 2007, the interest expenses in the 2<sup>nd</sup> quarter of 2008 were comparable to that of its corresponding period in 2007.

(iv) **Taxation**

The tax charge was higher than the amount obtained by applying the statutory tax rate on profit before taxation mainly due to:

- losses incurred by some subsidiaries which cannot be offset against profits earned by other companies in the Group. However, these losses are available for set-off against future profits of the respective subsidiaries subject to the agreement of the tax authorities; and
- varying statutory tax rates of different countries in which the Group operates.

Despite the increase in profit before taxation for the half year ended 30 June 2008, the taxation expenses remained relatively consistent for both the half-year periods and were lower on a quarter-on-quarter basis. This was due to higher profit contribution from entities with a higher tax rate in the previous financial period, resulting in the higher effective tax rate registered by the Group in 2007.



**QIAN HU CORPORATION LIMITED**  
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1(b)(i) **BALANCE SHEETS**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
<b>Equity attributable to equity holders of the Company</b>				
Share capital	29,408,625	29,295,961	29,408,625	29,295,961
Reserves	20,966,148	18,701,650	11,574,353	10,859,010
	<b>50,374,773</b>	<b>47,997,611</b>	<b>40,982,978</b>	<b>40,154,971</b>
<b>Minority Interests</b>	8,502,731	7,635,185	-	-
<b>Total Equity</b>	<b>58,877,504</b>	<b>55,632,796</b>	<b>40,982,978</b>	<b>40,154,971</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	13,354,598	12,438,592	3,716,738	2,653,895
Brooder stocks	24,068,400	21,365,162	1,211,385	1,225,980
Investments in subsidiaries	-	-	11,991,086	11,152,586
Investment in associate	838,387	836,467	812,600	812,600
Intangible assets	2,158,726	2,139,436	193,106	173,816
<b>Current Assets</b>				
Inventories	22,601,487	22,008,603	7,058,510	6,715,116
Breeder stocks	1,420,870	1,420,870	245,800	245,800
Trade receivables	17,863,602	17,606,700	6,617,090	6,840,494
Other receivables, deposits and prepayments	1,612,479	1,835,473	497,067	578,626
Due from				
- subsidiaries (trade)	-	-	17,721,502	16,689,951
- subsidiaries (non-trade)	-	-	2,850,560	2,855,941
- associates (trade)	859,780	1,655,630	859,780	1,655,630
Fixed deposits	23,706	23,706	23,706	23,706
Cash and bank balances	7,015,454	7,492,720	4,295,283	4,744,282
	<b>51,397,378</b>	<b>52,043,702</b>	<b>40,169,298</b>	<b>40,349,546</b>
<b>Current Liabilities</b>				
Trade payables	6,739,004	7,356,060	2,901,478	2,740,663
Bills payable to banks (unsecured)	4,752,537	5,002,650	1,007,397	1,341,255
Other payables and accruals	5,177,671	4,782,181	3,320,072	3,763,148
Due to				
- subsidiaries (trade)	-	-	58,809	50,842
- subsidiaries (non-trade)	-	-	710,000	480,000
- minority shareholders of a subsidiary (non-trade)	261,475	869,356	-	-
Finance lease obligations	142,332	164,849	67,326	59,732
Bank term loans	8,548,228	7,357,093	8,300,000	7,100,000
Provision for taxation	957,040	775,093	499,420	469,275
Bank overdrafts (unsecured)	1,828,287	2,066,483	-	-
	<b>28,406,574</b>	<b>28,373,765</b>	<b>16,864,502</b>	<b>16,004,915</b>
<b>Net Current Assets</b>	22,990,804	23,669,937	23,304,796	24,344,631
<b>Non-Current Liabilities</b>				
Finance lease obligations	(326,446)	(331,987)	(111,733)	(73,537)
Bank term loans	(1,370,349)	(1,545,566)	-	-
Deferred taxation	(2,836,616)	(2,939,245)	(135,000)	(135,000)
<b>Net Assets</b>	<b>58,877,504</b>	<b>55,632,796</b>	<b>40,982,978</b>	<b>40,154,971</b>



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1(b)(i) **BALANCE SHEETS (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
Inventory turnover (days)	145	142	79	65
Trade receivables turnover (days)	69	67	52	53
Debt equity ratio	0.56	0.60	0.42	0.40

**Notes to Balance Sheets**

(1) The details of subsidiaries are as follows:

<b>Name</b>	<b>Effective equity interest held by the Group</b>		<b>Cost of investment by the Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
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	150,451	150,451
- Qian Hu The Pet Family (M) Sdn Bhd (Malaysia)	100	100	-	-
Kim Kang Aquaculture Sdn Bhd and its subsidiary: (Malaysia)	65	65	8,538,391 **	7,699,891
- Kim Kang Frozen Food Sdn Bhd (Malaysia)	65	65	-	-
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
			<b>11,991,086</b>	<b>11,152,586</b>

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

\*\* In June 2008, the Company subscribed for its share of the increase in Kim Kang's share capital.



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**Notes to Balance Sheets (cont'd)**

(2) The details of associate are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
Unquoted equity investment				
- Arcadia Products PLC	812,600	812,600	812,600	812,600
Share of post-acquisition profit	25,787	23,867	-	-
	<b>838,387</b>	<b>836,467</b>	<b>812,600</b>	<b>812,600</b>

In July 2007, the Company acquired a 20% equity interest in Arcadia Products PLC (“Arcadia”), an aquarium lamp manufacturer based in the United Kingdom, for an initial consideration of £264K (approximately S\$813K). In addition, it was agreed that if Arcadia achieves a net profit after tax (“PAT”) of not less than £400K (the “Required PAT”) in respect of Arcadia’s financial year ended 30 June 2008 (“FY 2008”), a further consideration for the acquisition amounting to 20% of six times the amount of Arcadia’s PAT less the amount of initial consideration already paid by the Company (“further consideration”) will be paid. As Arcadia did not achieve the Required PAT for FY 2008, the further consideration, calculated on the same abovementioned basis for the financial year ending 30 June 2009 (“FY 2009”), will be payable upon Arcadia achieving the Required PAT in FY 2009.

(3) Intangible assets comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
Trademarks/customer acquisition costs	774,457	743,059	756,895	725,497
Product listing fees	196,153	196,153	196,153	196,153
Goodwill on consolidation	1,965,620	1,965,620	-	-
	<b>2,936,230</b>	<b>2,904,832</b>	<b>953,048</b>	<b>921,650</b>
Less accumulated amortisation	(777,504)	(765,396)	(759,942)	(747,834)
	<b>2,158,726</b>	<b>2,139,436</b>	<b>193,106</b>	<b>173,816</b>

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, namely “ARISTO-CATS YI HU” and “Nature’s Gift”. With the adoption of the revised FRS 38 *Intangible Assets*, trademarks/customer acquisition costs were determined to have indefinite lives and were no longer amortised but subjected to annual impairment testing.

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 was stated at cost from the date of initial recognition and amortised over its estimated useful life of 20 years. With the adoption of FRS 103 *Business Combinations*, the Group discontinued amortisation of goodwill on consolidation. The remaining goodwill balance is subject to annual impairment testing.



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**Notes to Balance Sheets (cont'd)**

(4) Inventories comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
Fish	7,462,070	7,800,580	3,090,823	2,979,900
Accessories	14,608,092	13,627,378	4,324,986	4,057,776
Plastics products - raw materials	365,541	500,293	-	-
Plastics products - finished goods	616,873	496,702	-	-
	<b>23,052,576</b>	<b>22,424,953</b>	<b>7,415,809</b>	<b>7,037,676</b>
Less allowance for inventory obsolescence	(451,089)	(416,350)	(357,299)	(322,560)
	<b>22,601,487</b>	<b>22,008,603</b>	<b>7,058,510</b>	<b>6,715,116</b>

The increase in accessories inventory balance as at 30 June 2008 was mainly due to higher raw materials and finished goods held in our Guangzhou factory for production orders and delivery due in the 2<sup>nd</sup> half of 2008.

(5) Trade receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
Trade receivables	19,993,367	19,676,399	8,421,477	8,609,654
Less allowance for doubtful trade receivables	(2,129,765)	(2,069,699)	(1,804,387)	(1,769,160)
	<b>17,863,602</b>	<b>17,606,700</b>	<b>6,617,090</b>	<b>6,840,494</b>

The amount of trade receivables remained relatively constant during both periods. The Group typically grants existing customers credit terms of 30 to 90 days.



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

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
	\$	\$	\$	\$
Due within 1 year:				
Short term loans (unsecured)	8,300,000	7,100,000	8,300,000	7,100,000
Long-term loans, current portion				
- secured	28,798	29,826	-	-
- unsecured	219,430	227,267	-	-
	248,228	257,093	-	-
	<b>8,548,228</b>	<b>7,357,093</b>	<b>8,300,000</b>	<b>7,100,000</b>
Due after 1 year:				
Long-term loans				
- secured	93,334	111,276	-	-
- unsecured	1,277,015	1,434,290	-	-
	1,370,349	1,545,566	-	-
	<b>9,918,577</b>	<b>8,902,659</b>	<b>8,300,000</b>	<b>7,100,000</b>

The proceeds from the additional bank borrowings was mainly utilised for capital expenditure in relation to the expansion of our Dragon Fish breeding and farming facilities in Singapore.

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 2.47% to 2.88% (31/12/2007: 3.81% to 4.19%) per annum.

The long-term loans comprise:

- a 7-year bank loan of RM0.5 million, secured by a mortgage on a subsidiary's freehold land, bears interest at 8.00% (31/12/2007: 8.00%) per annum and is repayable in 84 instalments commencing January 2005;
- a 5-year unsecured bank loan of RM1.85 million, bears interest at 8.25% (31/12/2007: 8.25%) per annum and is repayable in 60 monthly instalments commencing August 2006; and
- a 10-year unsecured bank loan of RM2.5 million, bears interest at 8.25% (31/12/2007: 8.25%) per annum and is repayable in 120 monthly instalments commencing March 2007.

As at 30 June 2008, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$9.3 million (31/12/2007: \$9.6 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 2008**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Jun 2008</b>	<b>2007</b>	<b>6 months ended 30 Jun 2008</b>	<b>2007</b>
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Profit before taxation and minority interests	2,366,336	2,172,510	4,492,429	3,840,779
Adjustments for:				
Bad trade receivables				
- written off	4,280	38	5,964	38
- recovered	(16,600)	-	(16,600)	-
Depreciation of				
- property, plant and equipment	467,460	464,131	936,564	939,418
- brooder stocks	122,493	90,527	238,591	173,171
Gain on disposal of property, plant and equipment	(26,992)	(46,443)	(26,717)	(75,784)
Property, plant and equipment written off	66	4	66	382
Amortisation of product listing fees	5,186	10,202	12,108	20,404
Allowance for				
- doubtful trade receivables	58,521	188,363	66,021	427,757
- inventory obsolescence	-	83,000	34,739	83,000
Share of loss (profit) of associate	28,969	-	(1,920)	-
Financial expenses	209,626	213,085	445,201	406,341
Financial income	(2,947)	(1,471)	(13,291)	(4,574)
<b>Operating profit before working capital changes</b>	<b>3,216,398</b>	<b>3,173,946</b>	<b>6,173,155</b>	<b>5,810,932</b>
(Increase) Decrease in:				
Inventories	(815,768)	(708,202)	(612,570)	(942,222)
Trade receivables	(605,542)	(1,063,807)	(458,981)	(2,090,973)
Other receivables, deposits and prepayments	(37,420)	19,627	(37,147)	129,581
Due from associates (trade)	32,622	-	795,850	-
Increase (Decrease) in:				
Trade payables	279,522	334,777	(551,999)	915,784
Bills payable to banks	103,109	666,864	(123,858)	165,612
Other payables and accruals	1,157,399	138,129	414,967	(142,709)
<b>Cash generated from operations</b>	<b>3,330,320</b>	<b>2,561,334</b>	<b>5,599,417</b>	<b>3,846,005</b>
Payment of income tax	(445,600)	(416,184)	(643,649)	(567,616)
<b>Net cash generated from operating activities</b>	<b>2,884,720</b>	<b>2,145,150</b>	<b>4,955,768</b>	<b>3,278,389</b>
<b>Cash flows from investing activities</b>				
Purchase of				
- property, plant and equipment	(620,480)	(352,551)	(2,021,944)	(1,504,015)
- brooder stocks	(1,744,034)	(1,604,005)	(3,636,284)	(2,490,209)
Proceeds from disposal of property, plant and equipment	26,142	73,598	40,834	114,277
Payment for trademarks/customer acquisition costs	(25,210)	(20,068)	(31,398)	(23,559)
Interest received	2,947	1,471	13,291	4,574
<b>Net cash used in investing activities</b>	<b>(2,360,635)</b>	<b>(1,901,555)</b>	<b>(5,635,501)</b>	<b>(3,898,932)</b>



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1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2008 (cont'd)**

	Group		Group	
	3 months ended 30 Jun 2008	2007	6 months ended 30 Jun 2008	2007
	\$	\$	\$	\$
<b>Cash flows from financing activities</b>				
Proceeds from issuance of new shares	47,661	-	112,664	-
Drawdown of bank term loans	700,000	410,000	1,200,000	1,510,000
Repayment of				
- finance lease obligations	(47,101)	(57,868)	(165,223)	(118,837)
- bank term loans	(59,436)	(196,767)	(121,922)	(387,904)
- loans from minority shareholders of a subsidiary	(43,071)	129,532	(126,403)	4,110
Payment of dividends to shareholders	-	(634,054)	-	(634,054)
Interest paid	(209,626)	(261,251)	(439,323)	(411,643)
<b>Net cash generated from (used in) financing activities</b>	388,427	(610,408)	459,793	(38,328)
<b>Net increase (decrease) in cash and cash equivalents</b>	912,512	(366,813)	(219,940)	(658,871)
Cash and cash equivalents at beginning of period	4,336,056	5,237,800	5,449,943	5,467,328
Effect of exchange rate changes on cash balances held in foreign currencies	(37,695)	(28,962)	(19,130)	33,568
<b>Cash and cash equivalents at end of period (Note i)</b>	5,210,873	4,842,025	5,210,873	4,842,025

**Notes to Statement of Cash Flows**

(i) Cash and cash equivalents comprise:

	Group	
	30 Jun 2008	30 Jun 2007
	\$	\$
Fixed deposits	23,706	23,706
Cash and bank balances	7,015,454	6,148,381
Bank overdraft	(1,828,287)	(1,330,062)
	5,210,873	4,842,025

(ii) The improvement in the Group's **net cash generated from operating activities** on a quarter-on-quarter basis and for the half year ended 30 June 2008 was due to higher operating profit generated in the 1<sup>st</sup> half of 2008 as compared to its corresponding period in 2007. In addition, we were able to better manage our cash flow by realising our inventory and receivables balances into cash balances for the settlement of trade and bills payables.

**Net cash used in investing activities** was mainly related to the purchase of brooder stocks in Kim Kang Aquaculture Sdn Bhd amounting to approximately \$3.6 million and capital expenditure incurred for the expansion of our Dragon Fish breeding facilities in Singapore, as well as on-going enhancement to the infrastructure and farm facilities in overseas entities.



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

**Net cash generated from financing activities** for the 1<sup>st</sup> half of 2008 was related to cash proceeds from the issuance of new shares arising from exercise of warrants and the drawdown of an additional bank loan granted by a financial institution mainly to finance the capital expenditure incurred. The amount was partially offset by repayment made to minority shareholders of a subsidiary and the settlement of finance lease obligations on a monthly basis, as well as the servicing of interest payments.

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

<b>Group</b>	<b><u>Equity attributable to equity holders of the Company</u></b>					
	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Currency translation reserve</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total Equity</b>
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jan 2007</b>	18,997,444	24,076,821	(587,474)	42,486,791	6,264,461	48,751,252
Net gain (loss) recognised directly in equity:						
- Currency translation differences	-	-	(6,576)	(6,576)	2,052	(4,524)
Profit for the year	-	4,948,168	-	4,948,168	1,368,672	6,316,840
Total recognised income (expense) for the year	-	4,948,168	(6,576)	4,941,592	1,370,724	6,312,316
Issue of new shares	10,494,087	-	-	10,494,087	-	10,494,087
Share of issuance expenses	(195,570)	-	-	(195,570)	-	(195,570)
Payment of						
- first and final dividend	-	(634,054)	-	(634,054)	-	(634,054)
- special interim dividend	-	(9,095,235)	-	(9,095,235)	-	(9,095,235)
<b>Balance at 31 Dec 2007</b>	<b>29,295,961</b>	<b>19,295,700</b>	<b>(594,050)</b>	<b>47,997,611</b>	<b>7,635,185</b>	<b>55,632,796</b>
Net gain recognised directly in equity:						
- Currency translation differences	-	-	9,524	9,524	7,310	16,834
Profit for the period	-	1,265,593	-	1,265,593	342,565	1,608,158
Total recognised income for the period	-	1,265,593	9,524	1,275,117	349,875	1,624,992
Issue of new shares	65,003	-	-	65,003	-	65,003
<b>Balance at 31 Mar 2008</b>	<b>29,360,964</b>	<b>20,561,293</b>	<b>(584,526)</b>	<b>49,337,731</b>	<b>7,985,060</b>	<b>57,322,791</b>
Net gain (loss) recognised directly in equity:						
- Currency translation differences	-	-	(519,429)	(519,429)	(274,338)	(793,767)
Profit for the period	-	1,508,810	-	1,508,810	340,509	1,849,319
Total recognised income (expense) for the period	-	1,508,810	(519,429)	989,381	66,171	1,055,552
Issue of new shares	47,661	-	-	47,661	-	47,661
Capital contribution	-	-	-	-	451,500	451,500
<b>Balance at 30 Jun 2008</b>	<b>29,408,625</b>	<b>22,070,103</b>	<b>(1,103,955)</b>	<b>50,374,773</b>	<b>8,502,731</b>	<b>58,877,504</b>



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

<b>Company</b>	<b>Share capital</b> \$	<b>Accumulated profits</b> \$	<b>Total</b> \$
<b>Balance at 1 Jan 2007</b>	18,997,444	18,042,095	37,039,539
Total recognised income for the year			
- Profit for the year	-	2,546,204	2,546,204
Issue of new shares	10,494,087	-	10,494,087
Share issuance expenses	(195,570)	-	(195,570)
Payment of			
- first and final dividend	-	(634,054)	(634,054)
- special interim dividend	-	(9,095,235)	(9,095,235)
<b>Balance at 31 Dec 2007</b>	<b>29,295,961</b>	<b>10,859,010</b>	<b>40,154,971</b>
Total recognised income for the period			
- Profit for the period	-	460,312	460,312
Issue of new shares	65,003	-	65,003
<b>Balance at 31 Mar 2008</b>	<b>29,360,964</b>	<b>11,319,322</b>	<b>40,680,286</b>
Total recognised income for the period			
- Profit for the period	-	255,031	255,031
Issue of new shares	47,661	-	47,661
<b>Balance at 30 Jun 2008</b>	<b>29,408,625</b>	<b>11,574,353</b>	<b>40,982,978</b>

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

<b>Share capital</b>	<b>Number of shares</b>	<b>\$</b>
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2008	411,911,279	29,295,961
Issue of new shares		
- Exercise of warrants issued	3,218,990	112,664
Balance as at 30 Jun 2008	<b>415,130,269</b>	<b>29,408,625</b>

As at 30 June 2008, there were no (31/12/2007: Nil) unissued ordinary shares in the Company under options granted to eligible employees of the Group, including associates of controlling shareholders of the Company, under the Qian Hu Post-IPO Share Option Scheme.

The Company issued 64,965,868 warrants in September 2007, of which 22,115,477 were exercised by warrant holders to subscribe for 22,115,477 new ordinary shares of the Company at the exercise price of \$0.035 per share as at 31 December 2007. During the 1<sup>st</sup> half of 2008, there were an additional 3,218,990 warrants exercised by warrant holders to subscribe for 3,218,990 new ordinary shares of the Company.

Subsequent to the balance sheet date, of the 39,631,401 warrants outstanding as at 30 June 2008 (31/12/07: 42,850,391), an additional 88,500 warrants were exercised for 88,500 new ordinary shares of the Company.



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1(e) **NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(4) 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 2008 to be false or misleading.

On behalf of the Board of Directors

**KENNY YAP KIM LEE**  
Executive Chairman and  
Managing Director

**ALVIN YAP AH SENG**  
Deputy Managing Director

Singapore  
21 July 2008

2 **AUDIT**

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

3 **AUDITORS' REPORT**

Not applicable

4 **ACCOUNTING POLICIES**

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 2007.

5 **CHANGES IN ACCOUNTING POLICIES**

Not applicable.

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>	<u>30 Jun</u>	<u>6 months ended 30 Jun</u>	<u>30 Jun</u>
	2008	2007	2008	2007
EPS (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.36	0.32	0.67	0.59
- on a fully diluted basis (cents)	0.34	0.29	0.62	0.52

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 413,941,112 (30/6/2007: 355,300,149 restated).

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 444,132,322 (30/6/2007: 408,057,666 restated).



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7 **NET ASSET VALUE PER SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	14.18	13.51	9.87	9.75

Net asset value per share is computed based on the number of issued shares of 415,130,269 as at 30 June 2008 (31/12/2007: 411,911,279).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

**6 months 2008 vs 6 months 2007**

	<b>Group</b>		<b>Increase</b>	
	<b>6 months ended 30 Jun</b>		<b>\$'000</b>	<b>%</b>
	<b>2008</b>	<b>2007</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	23,405	22,255	1,150	5.2
Accessories	17,501	16,687	814	4.9
Plastics	5,684	5,467	217	4.0
	<b>46,590</b>	<b>44,409</b>	<b>2,181</b>	<b>4.9</b>

For the 6 months ended 30 June 2008, the ornamental fish and accessories activities continued to be our core activities, which together accounted for almost 88% of total revenue. Our revenue increased by approximately \$2.2 million or 4.9% from \$44.4 million for the 6 months ended 30 June 2007 to \$46.6 million for the 6 months ended 30 June 2008.

On a geographical basis, revenue from Singapore dipped marginally by 5.7% while overseas grew by 9.6% in 1<sup>st</sup> half of 2008 as compared to its corresponding period in 2007. Both the Singapore and overseas operations' constant effort in expanding our distribution network into overseas untapped markets contributed to the increase in overseas revenue.

**2Q 2008 vs 2Q 2007**

	<b>Group</b>		<b>Increase</b>	
	<b>2Q</b>		<b>\$'000</b>	<b>%</b>
	<b>2008</b>	<b>2007</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	11,761	11,264	497	4.4
Accessories	8,752	8,464	288	3.4
Plastics	3,063	2,700	363	13.4
	<b>23,576</b>	<b>22,428</b>	<b>1,148</b>	<b>5.1</b>

Our revenue increased by approximately \$1.1 million or 5.1% from \$22.4 million in the 2<sup>nd</sup> quarter of 2007 to \$23.5 million in the 2<sup>nd</sup> quarter of 2008. All business activities registered growth in revenue during the current quarter as compared to its corresponding period in 2007.



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

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

**2Q 2008 vs 2Q 2007 (cont'd)**

**Fish**

Dragon Fish sales continue to grow in tandem with our other ornamental fish revenue in the current quarter. 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 the improved ornamental fish revenue in the current quarter as compared to its corresponding period in 2007.

**Accessories**

As highlighted in our previous announcements, with our accessories business being more export-oriented, we managed to leverage on our Group's existing overseas distribution bases & network and the infrastructure available to explore more untapped markets with growth potential. Our subsidiaries in Malaysia, Thailand and China also managed to continue expanding their distribution network in those countries to capture more sales in the current quarter as compared to its corresponding period in 2007.

**Plastics**

Revenue from plastics activities registered a steady increase of \$0.4 million or 13.4% in the current quarter as compared to its corresponding period in 2007 as we managed to focus on generating revenue through enlarging the customer base and selling more varieties of plastic products. We also managed to improve our plastics revenue by increasing our plastic export business gradually in the current quarter.

**2Q 2008 vs 1Q 2008**

	<b>Group</b>		<b>Increase</b>	
	<b>2Q 2008</b>	<b>1Q 2008</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	11,761	11,644	117	1.0
Accessories	8,752	8,749	3	0.0
Plastics	3,063	2,621	442	16.9
	<b>23,576</b>	<b>23,014</b>	<b>562</b>	<b>2.4</b>

Although the revenue from our accessories activities registered flat growth in the 2<sup>nd</sup> quarter of 2008, our ornamental fish and plastics revenue increased by \$0.6 million, resulting in the increase in our overall revenue in the current quarter as compared to that of the previous quarter.

**Fish**

During the 2<sup>nd</sup> quarter of 2008, our ornamental fish export sales from Singapore and Thailand continued to generate higher revenue with more new markets. In addition, with the reliable source of demand for our Dragon Fish in both the domestic and overseas markets, we continue to record an increase in ornamental fish sales as comparable to that of the previous quarter.



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

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

**2Q 2008 vs 1Q 2008 (cont'd)**

**Accessories**

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

**Plastics**

As mentioned above, our plastics activities experienced a boost in revenue in the current quarter mainly due to an enlarged customer base and the sale of more varieties of plastic products. We also managed to improve our plastics revenue by increasing our plastic export business gradually in the current quarter.

(b) **Profitability**

**6 months 2008 vs 6 months 2007**

	<b>Group</b>			
	<b>6 months ended 30 Jun</b>			
	<b>2008</b>	<b>2007</b>	<b>Increase (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	4,620	3,929	691	17.6
Accessories	1,012	665	347	52.2
Plastics	350	380	(30)	(7.9)
Unallocated corporate expenses	(1,490)	(1,133)	(357)	(31.5)
	<b>4,492</b>	<b>3,841</b>	<b>651</b>	<b>16.9</b>

Our operating profit before taxation increase by approximately \$0.7 million or 16.9% from \$3.8 million for the half year ended 30 June 2007 to \$4.5 million for the half year ended 30 June 2008. Profit after taxation attributable to equity holders increased by 32.0% from \$2.1 million for the 6 months ended 30 June 2007 to approximately \$2.8 million for the 6 months ended 30 June 2008. Our fish business was the main profit contributor in the 1<sup>st</sup> half of 2008.

**2Q 2008 vs 2Q 2007**

	<b>Group</b>			
	<b>2Q</b>	<b>2Q</b>		
	<b>2008</b>	<b>2007</b>	<b>Increase (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	2,313	2,130	183	8.6
Accessories	566	484	82	16.9
Plastics	192	190	2	1.1
Unallocated corporate expenses	(705)	(631)	(74)	(11.7)
	<b>2,366</b>	<b>2,173</b>	<b>193</b>	<b>8.9</b>





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

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

**2Q 2008 vs 2Q 2007 (cont'd)**

The better performance from all our business activities in the 2<sup>nd</sup> quarter of 2008 has resulted in an overall increase in operating profit by approximately \$0.2 million or 8.9% as compared to its corresponding period in 2007 with contribution mainly from our ornamental fish business.

**Fish**

Our operating profit from our ornamental fish business increased by \$0.2 million or 8.6% from \$2.1 million to \$2.3 million in the 2<sup>nd</sup> quarter of 2008 as compared to its corresponding period in 2007, which was in line with the marginally higher revenue recorded and better margins yielded from the sales of our self-bred Dragon Fish.

**Accessories**

During the current quarter, we have made conscientious effort to gradually revive our accessories business margin back to a respectable level. With improved revenue generated and better profit margin contributions from our export of accessories, its profitability has shown improvement.

**Plastics**

Notwithstanding the improvement in revenue registered, our operating profit from our plastics activities only experienced flat growth in the 2<sup>nd</sup> quarter of 2008 as compared to the corresponding period in 2007 mainly due to the increasing raw material (resins) prices in the current quarter which has eroded our profit margin.

Unallocated corporate expenses, including staff costs and administrative expenses, were in relation to the overseeing of the Group's operations both locally and overseas. The increase was in accordance with the Group's expansion into more overseas markets

**2Q 2008 vs 1Q 2008**

	<b>Group</b>		<b>Increase</b>	
	<b>2Q 2008 \$'000</b>	<b>1Q 2008 \$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	2,313	2,307	6	0.3
Accessories	566	446	120	26.9
Plastics	192	158	34	21.5
Unallocated corporate expenses	(705)	(785)	80	10.2
	<b>2,366</b>	<b>2,126</b>	<b>240</b>	<b>11.3</b>



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

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

**2Q 2008 vs 1Q 2008 (cont'd)**

**Fish**

The operating profit from our ornamental fish activities remained relatively consistent for both periods which were in accordance with the stable revenue contributions.

**Accessories**

During the current quarter, despite the stable revenue contributions as compared to the previous quarter, profitability from our accessories business has grown by \$0.1 million or 26.9% due to healthy profit yielded from our accessories export business.

**Plastics**

As mentioned above, notwithstanding the improvement in revenue registered over the previous quarter, our operating profit from our plastics activities was affected by the increasing raw material (resins) prices in the current quarter hence resulting in a slower growth pace.

9 **VARIANCE FROM PROSPECT STATEMENT**

There is no variance from the previous prospect statement.

10 **PROSPECTS**

Our Group's future growth depends on:

- increase in our export of ornamental fish;
- escalation of our export of aquarium and pet accessories;
- continuous growth of our breeding and sales of Dragon Fish;
- expansion of our pet accessories distribution network by leveraging on our own house-brands;
- ability to expand our distribution capabilities from owning the business to owning the customers;
- increase in our distribution points in China from 100 to 150 points; and
- enhancement of our production efficiency and our strength in research & development.

**Increase in our export of ornamental fish**

Ornamental fish will continue to be an important core business activity of our Group. We are the only ornamental fish company in the world which is able to supply ornamental fish from four countries, namely Singapore, Malaysia, Thailand, and China. By exporting more fish to more customers and countries all over the world, while continuing to expand the domestic distribution network of ornamental fish in the four countries mentioned above, we believe that there will be a positive contribution to our ornamental fish revenue moving forward. Currently, our Group export ornamental fish to more than 75 countries around the world. We intend to export ornamental fish to more than 80 countries globally in the coming years.



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10 **PROSPECTS (cont'd)**

**Escalation of our export of aquarium and pet accessories**

With the acquisition of 20% stake in Arcadia Products PLC (“Arcadia”) in July 2007, it enables us to make our first foray into the European market. Arcadia has a sterling reputation for its high quality aquarium lighting products which are sold to a total of 90 specialists and general pet wholesalers in the United Kingdom, and are distributed to 55 countries around the world. Currently, we export our aquarium accessories to approximately 20 countries around the world but with limited presence in Europe. Through Arcadia, we plan to set up a marketing arm in London to further establish our aquarium and pet accessories products in the Europe continent. We aim to export our aquarium and pet accessories products to as many countries as our ornamental fish export. In the current quarter, we managed to export our accessories products to new markets such as Russia, Turkey and Denmark. It is our intention to grow our accessories revenue to be equivalent to that of ornamental fish.

**Continuous growth of our breeding and sales of Dragon Fish**

China is a huge market for Dragon Fish, as is in Taiwan and Japan. Based on the improved sales recorded, we envisage that our Dragon Fish sales will continue to increase in the coming years. Our collaboration with Temasek Life Sciences Laboratory in researching the breeding behaviour of Dragon Fish has enabled us to increase the production of Dragon Fish in our farms, and hence enhance our Group’s ability to meet the future growth in demand of Dragon Fish. Our “Qian Hu” Dragon Fish has gradually established itself as a premium brand in North East China.

**Expansion of our pet accessories distribution network by leveraging on our own house-brands**

In view of the ever-growing pet (e.g. dogs, cats and small animals, etc) market all over the world, we have started to accelerate our pace of distribution of pet accessories worldwide from Singapore as well as through our overseas subsidiaries by leveraging on our own house-brands, namely “BARK” and “Nature Gift” for dog accessories products, “Aristo-cats YI HU” for cat accessories products and “Delikate” for small animals. We envisage that the pet accessories distribution business will grow to become a significant business activity within the Group in the future.

**Ability to expand our distribution capabilities from owning the business to owning the customers**

In the process of professionalising a highly fragmented ornamental fish and aquarium & pet accessories retail market, we have since set up 12 retail chain stores throughout the region which provide better services and a wider product range in a visually-stimulating shopping environment. These offer hobbyists and our customers a different and more enjoyable shopping experience. We will continue to set up more of these retail chain stores in the future, especially in Malaysia.

**Increase in our distribution points in China**

As at 30 June 2008, Qian Hu has more than 100 distribution points across China distributing our Dragon Fish and our own house-brands of aquarium accessories. We intend to further enhance our presence in China by increasing our marketing effort in penetrating the China market so as to increase the number of distribution points to 150 locations in Year 2008.



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10 **PROSPECTS (cont'd)**

**Enhancement of our production efficiency and our strength in research & development**

Our Guangzhou factory produces aquarium accessories products for our suppliers, our subsidiaries and our customers. With the increasing orders for our manufactured products, coupled with the transfer of Arcadia's production facilities from UK to our Guangzhou factory by next year, the production output from our Guangzhou factory is expected to increase; as such, it is essential to enhance our factory's production efficiency and to strengthen our research and development ("R&D") capabilities. Arcadia has more than 40 years of experience in pursuing R&D on their products. Our strategic stake in the company will enable us to significantly strengthen our R&D in developing and improving our aquarium accessories products. We will also continue our effort in enhancing our R&D for our Dragon Fish so that we can be the most productive and profitable Dragon Fish company in the region.

With the increase in revenue from our ornamental fish operations, improvement in our accessories export business, coupled with the positive contributions from our Group's overseas operations in Malaysia, Thailand and China, accordingly, we expect our Group's revenue and profit will continue to increase in the 2<sup>nd</sup> half of 2008.

11 **DIVIDEND**

No interim dividend for the half year ended 30 June 2008 is recommended.

12 **INTERESTED PERSON TRANSACTION**

There was no 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 the half year ended 30 June 2008.



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13 **SEGMENT INFORMATION**

(a) **Business segments**

Group	6 months ended 30 June 2008				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Eliminations \$'000	Total \$'000
<b>Revenue</b>					
External revenue	23,405	17,501	5,684	-	46,590
Inter-segment revenue	2,377	4,353	88	(6,818)	-
<b>Total Revenue</b>	<b>25,782</b>	<b>21,854</b>	<b>5,772</b>	<b>(6,818)</b>	<b>46,590</b>
<b>Results</b>					
Segment results	4,794	1,044	350	5	6,193
Unallocated expenses					(1,271)
					4,922
Financial expenses - net					(432)
					4,490
Share of profit of associate					2
Profit before taxation					4,492
Taxation					(1,035)
<b>Profit for the period</b>					<b>3,457</b>
<b>Net profit margin</b>	<b>20.5%</b>	<b>6.0%</b>	<b>6.2%</b>		<b>7.4%</b>
<b>Assets and Liabilities</b>					
Assets	56,707	28,048	4,095	-	88,850
Investment in associate					1,698
Unallocated assets					1,269
<b>Total Assets</b>					<b>91,817</b>
Liabilities	11,197	4,387	1,762	-	17,346
Unallocated liabilities					15,594
<b>Total Liabilities</b>					<b>32,940</b>
<b>Other Information</b>					
Capital expenditure	5,361	397	52	-	5,810
Depreciation and amortisation	732	372	83	-	1,187
Other non-cash expenses	32	16	15	-	63



**QIAN HU CORPORATION LIMITED**  
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13 **SEGMENT INFORMATION (cont'd)**

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

Group	6 months ended 30 June 2007				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Eliminations \$'000	Total \$'000
<b>Revenue</b>					
External revenue	22,255	16,687	5,467	-	44,409
Inter-segment revenue	4,098	7,421	76	(11,595)	-
<b>Total Revenue</b>	<b>26,353</b>	<b>24,108</b>	<b>5,543</b>	<b>(11,595)</b>	<b>44,409</b>
<b>Results</b>					
Segment results	4,112	698	380	(2)	5,188
Unallocated expenses					(945)
					4,243
Financial expenses - net					(402)
Profit before taxation					3,841
Taxation					(1,023)
<b>Profit for the period</b>					<b>2,818</b>
<b>Net profit margin</b>	<b>18.5%</b>	<b>4.2%</b>	<b>7.0%</b>		<b>6.3%</b>
<b>Assets and Liabilities</b>					
Assets	49,309	27,778	3,837	-	80,924
Unallocated assets					1,143
<b>Total Assets</b>					<b>82,067</b>
Liabilities	11,049	4,682	1,712	-	17,443
Unallocated liabilities					13,357
<b>Total Liabilities</b>					<b>30,800</b>
<b>Other Information</b>					
Capital expenditure	3,681	381	113	-	4,175
Depreciation and amortisation	625	424	84	-	1,133
Other non-cash expenses (income)	195	254	(14)	-	435



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

(b) **Geographical segments**

Group	Revenue		Assets		Capital expenditure	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	12,739	13,516	27,948	26,287	1,432	37
Other Asian countries	20,190	19,092	62,171	55,780	4,378	4,138
Europe	9,284	8,095	1,698	-	-	-
Others	4,377	3,706	-	-	-	-
<b>Total</b>	<b>46,590</b>	<b>44,409</b>	<b>91,817</b>	<b>82,067</b>	<b>5,810</b>	<b>4,175</b>

14 **BREAKDOWN OF REVENUE**

Revenue (Group)	Fish \$'000	Accessories \$'000	Plastics \$'000	Total \$'000
<b>2Q 2008</b>				
Singapore (including domestic sales & sales to Singapore)	1,260	1,914	2,946	6,120
Overseas (including export to & sales in overseas)	10,501	6,838	117	17,456
<b>Total revenue</b>	<b>11,761</b>	<b>8,752</b>	<b>3,063</b>	<b>23,576</b>
<b>2Q 2007</b>				
Singapore	2,121	2,052	2,685	6,858
Overseas	9,143	6,412	15	15,570
<b>Total revenue</b>	<b>11,264</b>	<b>8,464</b>	<b>2,700</b>	<b>22,428</b>
<b>6 months ended 30 Jun 2008</b>				
Singapore (including domestic sales & sales to Singapore)	3,312	3,928	5,499	12,739
Overseas (including export to & sales in overseas)	20,093	13,573	185	33,851
<b>Total revenue</b>	<b>23,405</b>	<b>17,501</b>	<b>5,684</b>	<b>46,590</b>
<b>6 months ended 30 Jun 2007</b>				
Singapore	4,255	3,892	5,369	13,516
Overseas	18,000	12,795	98	30,893
<b>Total revenue</b>	<b>22,255</b>	<b>16,687</b>	<b>5,467</b>	<b>44,409</b>

**BY ORDER OF THE BOARD**

Kenny Yap Kim Lee  
Executive Chairman and Managing Director  
21 July 2008