



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

**THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT**

1(a) **INCOME STATEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009**

	Note	Group			Group		
		3 months ended 30 Sep		Change %	9 months ended 30 Sep		Change %
		2009 \$'000	2008 \$'000		2009 \$'000	2008 \$'000	
Revenue		23,874	23,613	1.1	70,744	70,203	0.8
Cost of sales		(15,656)	(15,328)	2.1	(46,126)	(45,193)	2.1
<b>Gross profit</b>		<b>8,218</b>	<b>8,285</b>	<b>(0.8)</b>	<b>24,618</b>	<b>25,010</b>	<b>(1.6)</b>
Other operating income		20	48	(58.3)	88	126	(30.2)
		<b>8,238</b>	<b>8,333</b>	<b>(1.1)</b>	<b>24,706</b>	<b>25,136</b>	<b>(1.7)</b>
Selling & distribution expenses	i	(498)	(582)	(14.4)	(1,446)	(2,166)	(33.2)
General & administrative expenses	i	(5,314)	(5,143)	3.3	(15,810)	(15,440)	2.4
<b>Profit from operations</b>	ii	<b>2,426</b>	<b>2,608</b>	<b>(7.0)</b>	<b>7,450</b>	<b>7,530</b>	<b>(1.1)</b>
Financial income	iii	1	5	(80.0)	4	18	(77.8)
Financial expenses	iii	(165)	(214)	(22.9)	(551)	(659)	(16.4)
		<b>2,262</b>	<b>2,399</b>	<b>(5.7)</b>	<b>6,903</b>	<b>6,889</b>	<b>0.2</b>
Share of losses of associates		(29)	(42)	(31.0)	(33)	(40)	(17.5)
<b>Profit before taxation</b>		<b>2,233</b>	<b>2,357</b>	<b>(5.3)</b>	<b>6,870</b>	<b>6,849</b>	<b>0.3</b>
Taxation	iv	(355)	(465)	(23.7)	(1,279)	(1,500)	(14.7)
<b>Profit for the period</b>		<b>1,878</b>	<b>1,892</b>	<b>(0.7)</b>	<b>5,591</b>	<b>5,349</b>	<b>4.5</b>
Attributable to:							
<b>Equity holders of the Company</b>		<b>1,683</b>	<b>1,533</b>	<b>9.8</b>	<b>4,745</b>	<b>4,307</b>	<b>10.2</b>
Minority interests		195	359	(45.7)	846	1,042	(18.8)
<b>Profit for the period</b>		<b>1,878</b>	<b>1,892</b>	<b>(0.7)</b>	<b>5,591</b>	<b>5,349</b>	<b>4.5</b>
Gross profit margin		34.4%	35.1%		34.8%	35.6%	
Net profit margin		7.9%	8.0%		7.9%	7.6%	
Effective tax rate		15.9%	19.7%		18.6%	21.9%	



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**STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009**

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Sep</u>		<u>Change</u>	<u>9 months ended 30 Sep</u>		<u>Change</u>
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
<b>Profit for the period</b>	1,878	1,892	(0.7)	5,591	5,349	4.5
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(206)	27	(863.0)	(450)	(750)	(40.0)
<b>Other comprehensive income for the period, net of tax</b>	(206)	27	(863.0)	(450)	(750)	(40.0)
<b>Total comprehensive income for the period</b>	<u>1,672</u>	<u>1,919</u>	<u>(12.9)</u>	<u>5,141</u>	<u>4,599</u>	<u>11.8</u>
Attributable to:						
<b>Equity holders of the Company</b>	<b>1,544</b>	<b>1,559</b>	<b>(1.0)</b>	<b>4,440</b>	<b>3,823</b>	<b>16.1</b>
Minority interests	128	360	(64.4)	701	776	(9.7)
<b>Total comprehensive income for the period</b>	<u>1,672</u>	<u>1,919</u>	<u>(12.9)</u>	<u>5,141</u>	<u>4,599</u>	<u>11.8</u>

**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 2008. Accordingly, in line with the cost saving measures in place, there was reduction in selling and distribution expenses incurred by the Group which amounted to \$0.7 million or 33.2%.

(ii) **Profit from operations**

This is determined after charging (crediting) the following:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Auditors' remuneration				
- auditors of the Company	18	18	54	54
- other auditors	6	6	17	16
Non-audit fees				
- other auditors	-	4	17	19
Directors' fees				
- directors of the Company	15	15	45	40
Directors' remuneration				
- directors of the Company	287	289	861	838
- directors of subsidiaries	137	140	409	388
Amortisation of product listing fees	2	3	8	15
Bad trade receivables written off	-	1	-	7



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

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>	<u>2008</u>	<u>9 months ended 30 Sep</u>	<u>2008</u>
	\$'000	\$'000	\$'000	\$'000
Bad trade receivables recovered	-	-	(1)	(17)
Depreciation of				
- property, plant and equipment	499	480	1,521	1,416
- brooder stocks	148	132	436	371
Gain on disposal of property, plant and equipment	(9)	(14)	(27)	(40)
Property, plant and equipment written off	22	6	43	6
Allowance for (Write back of)				
- doubtful trade receivables	79	33	239	99
- inventory obsolescence	108	(21)	172	14
Operating lease expenses	255	150	790	682
Personnel expenses *	3,023	3,140	9,083	9,241
Exchange gain, net	(36)	(145)	(303)	(284)

\* Include directors' remuneration.

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>	<u>2008</u>	<u>9 months ended 30 Sep</u>	<u>2008</u>
	\$'000	\$'000	\$'000	\$'000
Interest expenses				
- bank loans and overdrafts	120	147	410	451
- bills payable	36	57	116	180
- finance lease obligations	9	10	25	28
	<u>165</u>	<u>214</u>	<u>551</u>	<u>659</u>
Interest income				
- bank deposits	(1)	(5)	(4)	(18)
Net financial expenses	<u>164</u>	<u>209</u>	<u>547</u>	<u>641</u>

Despite the increase in the amount of bank borrowings during the current financial year, the reduction in interest expenses by 22.9% and 16.4% in the 3<sup>rd</sup> quarter of 2009 and the 9 months ended 30 September 2009 respectively as compared to its corresponding periods in 2008 was mainly due to lower interest rates charged by the financial institutions.

(iv) **Taxation**

The effective tax rate of 15.9% and 18.6% for the 3<sup>rd</sup> quarter of 2009 and the 9 months ended 30 September 2009 respectively was lower than the 19.7% and 21.9% recorded in the corresponding periods in 2008. This is mainly attributed to losses incurred by some subsidiaries in 2008, which cannot be offset against profits earned by other companies in the Group, as well as the 1% reduction in Singapore corporate tax rate to 17% in FY 2009.

The effective tax charge for the 9 months ended 30 September 2009 was higher than the amount obtained by applying the statutory tax rate of 17% on profit before taxation mainly due to varying statutory tax rates of different countries in which the Group operates.



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

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
<b>Equity attributable to equity holders of the Company</b>				
Share capital	29,626,168	29,411,915	29,626,168	29,411,915
Reserves	27,779,256	24,179,248	15,420,672	13,427,936
	<b>57,405,424</b>	<b>53,591,163</b>	<b>45,046,840</b>	<b>42,839,851</b>
<b>Minority Interests</b>	9,741,753	9,143,011	-	-
<b>Total Equity</b>	<b>67,147,177</b>	<b>62,734,174</b>	<b>45,046,840</b>	<b>42,839,851</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	15,297,001	14,639,378	5,629,764	4,680,364
Brooder stocks	28,784,828	26,745,893	2,930,204	1,196,790
Investments in subsidiaries	-	-	11,991,086	11,991,086
Investment in associates	1,157,226	787,794	1,215,200	812,600
Intangible assets	2,287,513	2,205,392	321,893	239,772
<b>Current Assets</b>				
Inventories	22,091,541	22,385,773	6,883,322	7,512,040
Breeder stocks	1,595,170	1,595,170	444,690	444,690
Trade receivables	20,377,458	20,712,162	7,325,379	7,118,439
Other receivables, deposits and prepayments	1,900,810	2,604,894	763,615	1,103,238
Due from				
- subsidiaries (trade)	-	-	18,387,012	18,842,672
- subsidiaries (non-trade)	-	-	4,291,688	2,624,119
- associates (trade)	170,024	508,334	170,024	508,334
Fixed deposits	24,560	24,560	24,560	24,560
Cash and bank balances	7,955,278	8,302,611	3,981,285	5,469,044
	<b>54,114,841</b>	<b>56,133,504</b>	<b>42,271,575</b>	<b>43,647,136</b>
<b>Current Liabilities</b>				
Trade payables	7,844,744	9,189,826	3,524,306	3,383,071
Bills payable to banks (unsecured)	4,937,367	4,156,350	1,108,053	638,044
Other payables and accruals	4,087,580	5,182,697	2,981,761	3,992,125
Due to				
- subsidiaries (trade)	-	-	55,339	88,614
- subsidiaries (non-trade)	-	-	710,000	810,000
- minority shareholder of a subsidiary (non-trade)	13,311	122,171	-	-
Finance lease obligations	183,682	172,640	82,416	72,703
Bank term loans	10,824,023	10,268,215	10,300,000	10,000,000
Provision for taxation	827,055	1,058,178	341,129	535,299
Bank overdrafts (unsecured)	-	1,623,138	-	-
	<b>28,717,762</b>	<b>31,773,215</b>	<b>19,103,004</b>	<b>19,519,856</b>
<b>Net Current Assets</b>	25,397,079	24,360,289	23,168,571	24,127,280
<b>Non-Current Liabilities</b>				
Finance lease obligations	(370,070)	(351,917)	(109,878)	(108,041)
Bank term loans	(1,871,654)	(2,058,459)	-	-
Deferred taxation	(3,534,746)	(3,594,196)	(100,000)	(100,000)
<b>Net Assets</b>	<b>67,147,177</b>	<b>62,734,174</b>	<b>45,046,840</b>	<b>42,839,851</b>



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

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
Inventory turnover (days)	141	145	85	86
Trade receivables turnover (days)	79	75	56	56
Debt equity ratio	0.51	0.60	0.43	0.46

**Notes to Statements of Financial Position**

(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 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</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 (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
			<b>11,991,086</b>	<b>11,991,086</b>

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



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

(2) The details of associates are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Unquoted equity investments				
- Arcadia Products PLC	812,600	812,600	812,600	812,600
- Qian Hu Aquasstar (India) Private Limited	402,600	-	402,600	-
	<u>1,215,200</u>	<u>812,600</u>	<u>1,215,200</u>	<u>812,600</u>
Share of post-acquisition losses	(57,974)	(24,806)	-	-
	<u>1,157,226</u>	<u>787,794</u>	<u>1,215,200</u>	<u>812,600</u>

- 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 on either 30 June 2008 (“FY 2008”) or 30 June 2009 (“FY 2009”), 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 in both FY 2008 and FY 2009, the further consideration will not be payable.
- As announced on 20 April 2009, the Company has entered into a joint venture agreement to set up a 50-50% joint venture company in Chennai, Qian Hu Aquasstar (India) Private Limited (“JV Company”), which deals with the manufacturing of aquarium accessories, such as fish food and aquarium tanks. The Company has injected its share of paid-up capital amounting to S\$402,600 into the JV Company in August 2009.

(3) Intangible assets comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Trademarks/customer acquisition costs	916,975	826,774	900,099	809,898
Product listing fess	196,153	196,153	196,153	196,153
Goodwill on consolidation	1,965,620	1,965,620	-	-
	<u>3,078,748</u>	<u>2,988,547</u>	<u>1,096,252</u>	<u>1,006,051</u>
Less accumulated amortisation	(791,235)	(783,155)	(774,359)	(766,279)
	<u>2,287,513</u>	<u>2,205,392</u>	<u>321,893</u>	<u>239,772</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.



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

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.

(4) Inventories comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Fish	6,728,821	6,700,278	2,570,437	3,206,189
Accessories	15,285,089	15,416,961	4,785,685	4,606,851
Plastics products - raw materials	225,761	243,516	-	-
Plastics products - finished goods	418,460	419,808	-	-
	<u>22,658,131</u>	<u>22,780,563</u>	<u>7,356,122</u>	<u>7,813,040</u>
Less allowance for inventory obsolescence	(566,590)	(394,790)	(472,800)	(301,000)
	<u>22,091,541</u>	<u>22,385,773</u>	<u>6,883,322</u>	<u>7,512,040</u>

The reduction in accessories inventory balance as at 30 September 2009 was a result of our conscientious effort made to reduce our inventory level.

(5) Trade receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Trade receivables	22,511,986	22,958,865	9,224,172	9,018,920
Less allowance for doubtful trade receivables	(2,134,528)	(2,246,703)	(1,898,793)	(1,900,481)
	<u>20,377,458</u>	<u>20,712,162</u>	<u>7,325,379</u>	<u>7,118,439</u>

Our conscientious effort made in monitoring and collection of trade receivables balances has resulted in the decrease in the amount of trade receivables as at 30 September 2009. The trade receivables turnover days have remained relatively consistent during both periods. The Group typically grants existing customers credit terms of 30 to 90 days.



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

- (6) Other receivables, deposits and prepayments comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Other receivables	406,544	322,899	189,432	86,074
Deposits	282,102	313,762	52,980	56,398
Prepayments	561,335	453,125	146,370	124,319
Advances to suppliers	83,182	451,347	56,114	365,615
Deposits for purchase of property, plant and equipment	318,719	470,832	318,719	470,832
Tax recoverable	248,928	592,929	-	-
	<b>1,900,810</b>	<b>2,604,894</b>	<b>763,615</b>	<b>1,103,238</b>

The higher amount of other receivables, deposits and prepayments balances as at 31 December 2008 was mainly due to advances made to suppliers in relation to the on-going infrastructure construction work in our Singapore farm and the deposits placed for the purchase of related equipment. Some of these amounts have since been capitalised under plant, property and equipment as at 30 September 2009. In addition, the tax recoverable amount as at 31 December 2008 has been partially utilised during the 9 months ended 30 September 2009 as settlement of tax liability for the current year.

- (7) The reduction in trade payables as at 30 September 2009 was due to prompt settlement of trade payables so as to secure better trade discounts with our regular suppliers for purchases made. On the other hand, there were more purchases made via trade financing facilities, resulting in an increase in bills payable as at 30 September 2009.

- (8) Other payables and accruals comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Accrued operating expenses	361,474	329,191	112,629	218,268
Accrued staff costs	1,568,247	2,139,748	1,074,223	1,555,234
Other payables	2,151,262	2,545,918	1,789,148	2,218,623
Advance received from customers	6,597	167,840	5,761	-
	<b>4,087,580</b>	<b>5,182,697</b>	<b>2,981,761</b>	<b>3,992,125</b>

The reduction of other payables and accruals as at 30 September 2009 was mainly due to the decrease in accrued staff costs as a result of bonus payment made in January 2009 and a lower amount of freight expenses payable as at 30 September 2009.

- (9) The increase in finance lease obligations as at 30 September 2009 was due to the purchase of three motor vehicles under hire purchase arrangements during the 9 months ended 30 September 2009.





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

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
	\$	\$	\$	\$
Due within 1 year:				
Short term loans (unsecured)	10,300,000	10,000,000	10,300,000	10,000,000
Long-term loans, current portion				
- secured	33,355	31,113	-	-
- unsecured	490,668	237,102	-	-
	524,023	268,215	-	-
	<u>10,824,023</u>	<u>10,268,215</u>	<u>10,300,000</u>	<u>10,000,000</u>
Due after 1 year:				
Long-term loans				
- secured	48,154	75,853	-	-
- unsecured	1,823,500	1,982,606	-	-
	1,871,654	2,058,459	-	-
	<u>12,695,677</u>	<u>12,326,674</u>	<u>10,300,000</u>	<u>10,000,000</u>

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 1.88% to 2.33% (31/12/2008: 2.31% to 3.58%) per annum and are repayable within the next 12 months from the balance sheet date.

The long-term loans, taken by a subsidiary, comprise:

- a 7-year bank loan of RM0.5 million, secured by a mortgage on a subsidiary's freehold land, bears interest at 6.80% (31/12/2008: 7.75%) per annum and is repayable in 84 monthly instalments commencing January 2005;
- a 5-year unsecured bank loan of RM1.85 million, bears interest at 7.05% (31/12/2008: 8.00%) 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 7.05% (31/12/2008: 8.00%) 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 6.55% (31/12/2008: 7.50%) per annum and is repayable in 60 monthly instalments commencing May 2009.

As at 30 September 2009, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$11.0 million (31/12/2008: \$10.5 million). As announced previously, the adoption of the amendments to FRS 39 *Financial Instruments: Recognition and Measurement - Financial Guarantee Contracts* (effective from financial years beginning on or after 1 January 2006), which required the Company to measure the financial guarantees given to financial institutions for bank borrowings of its subsidiaries at fair value upon inception of the guarantees, was assessed to have no material financial impact on the Group's financial statements.



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1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2009**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Sep 2009</b>	<b>2008</b>	<b>9 months ended 30 Sep 2009</b>	<b>2008</b>
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Profit before taxation and minority interests	2,232,484	2,357,113	6,869,593	6,849,542
Adjustments for:				
Bad trade receivables				
- written off	376	693	430	6,657
- recovered	-	(280)	(755)	(16,880)
Depreciation of				
- property, plant and equipment	499,202	479,603	1,520,479	1,416,167
- brooder stocks	148,077	131,958	436,257	370,549
Gain on disposal of property, plant and equipment	(8,792)	(13,730)	(26,755)	(40,447)
Property, plant and equipment written off	22,518	6,026	43,431	6,092
Amortisation of product listing fees	2,532	3,356	8,080	15,464
Allowance for (Write back of)				
- doubtful trade receivables	79,365	33,169	238,705	99,190
- inventory obsolescence	107,500	(21,001)	171,800	13,738
Share of losses of associates	29,654	41,526	33,168	39,606
Financial expenses	164,942	213,777	551,490	658,978
Financial income	(1,079)	(4,292)	(4,525)	(17,583)
<b>Operating profit before working capital changes</b>	<b>3,276,779</b>	<b>3,227,918</b>	<b>9,841,398</b>	<b>9,401,073</b>
(Increase) Decrease in:				
Inventories	995,949	(369,199)	211,965	(981,769)
Trade receivables	(1,532,218)	(327,497)	(41,294)	(786,478)
Other receivables, deposits and prepayments	(119,937)	(48,073)	400,072	(85,220)
Due from associate (trade)	144,282	167,102	338,310	962,952
Increase (Decrease) in:				
Trade payables	(338,724)	827,680	(1,283,265)	275,681
Bills payable to banks	426,117	(317,337)	848,353	(441,195)
Other payables and accruals	198,669	(509,599)	(1,080,117)	(94,632)
<b>Cash generated from operations</b>	<b>3,050,917</b>	<b>2,650,995</b>	<b>9,235,422</b>	<b>8,250,412</b>
Payment of income tax	(398,655)	(417,487)	(1,183,595)	(1,061,136)
<b>Net cash generated from operating activities</b>	<b>2,652,262</b>	<b>2,233,508</b>	<b>8,051,827</b>	<b>7,189,276</b>
<b>Cash flows from investing activities</b>				
Purchase of				
- property, plant and equipment	(408,414)	(1,140,687)	(2,294,458)	(3,162,631)
- brooder stocks	(1,135,190)	(1,812,057)	(2,964,170)	(5,448,341)
Proceeds from disposal of property, plant and equipment	13,738	13,969	41,858	54,803
Payment for trademarks/customer acquisition costs	(15,950)	(17,772)	(90,201)	(49,170)
Investment in an associate	(402,600)	-	(402,600)	-
Interest received	1,079	4,292	4,525	17,583
<b>Net cash used in investing activities</b>	<b>(1,947,337)</b>	<b>(2,952,255)</b>	<b>(5,705,046)</b>	<b>(8,587,756)</b>



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1(c) **STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009 (cont'd)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep</u>		<u>9 months ended 30 Sep</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
<b>Cash flows from financing activities</b>				
Proceeds from issuance of new shares	12,670	3,290	214,253	115,954
Drawdown of bank term loans	-	1,870,000	813,000	3,070,000
Repayment of				
- finance lease obligations	(16,307)	(48,926)	(118,812)	(214,149)
- bank term loans	(226,916)	(62,493)	(399,468)	(184,415)
- loans from minority shareholder of a subsidiary	(37,657)	(114,475)	(106,522)	(240,878)
Payment of dividends to				
- shareholders	-	-	(840,346)	-
- minority shareholder of a subsidiary	(102,000)	-	(102,000)	-
Interest paid	(165,296)	(236,325)	(557,334)	(675,648)
<b>Net cash (used in) generated from financing activities</b>	<u>(535,506)</u>	<u>1,411,071</u>	<u>(1,097,229)</u>	<u>1,870,864</u>
<b>Net increase in cash and cash equivalents</b>	169,419	692,324	1,249,552	472,384
Cash and cash equivalents at beginning of period	7,823,096	5,210,873	6,704,033	5,449,943
Effect of exchange rate changes				
on cash balances held in foreign currencies	(12,677)	35,594	26,253	16,464
<b>Cash and cash equivalents at end of period (Note i)</b>	<u>7,979,838</u>	<u>5,938,791</u>	<u>7,979,838</u>	<u>5,938,791</u>

**Notes to Statement of Cash Flows**

(i) Cash and cash equivalents comprise:

	<u>Group</u>	
	<u>30 Sep 2009</u>	<u>30 Sep 2008</u>
	\$	\$
Fixed deposits	24,560	23,706
Cash and bank balances	7,955,278	7,883,305
Bank overdrafts	-	(1,968,220)
	<u>7,979,838</u>	<u>5,938,791</u>

(ii) Despite the relatively consistent operating profit generated on a quarter-on-quarter basis and for the 9 months ended 30 September 2009 as compared to its corresponding periods in 2008, the improvement in the Group's **net cash generated from operating activities** in the 3<sup>rd</sup> quarter of 2009 was due to lower inventory held, notwithstanding the profit generated has yet been fully realised into cash as our trade receivables balances increased in accordance with the higher credit sales generated in the current quarter. On the other hand, much of the cash generated during the 9 months ended 30 September 2009 were utilised for the settlement of trade and other payables so as to secure better trade discounts with our regular suppliers for purchases made.



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

**Net cash used in investing activities** was mainly related to the purchase of brooder stocks in both our Singapore and Malaysia farms and capital expenditure incurred for the construction and expansion of our Dragon Fish breeding facilities in Singapore, as well as on-going enhancement to the infrastructure and farm facilities in overseas entities. In addition, there was cash of approximately \$403K injected as paid up share capital of the joint venture company in India.

During the 9 months ended 30 September 2009, there were cash proceeds received from the issuance of new shares arising from exercise of warrants and the additional drawdown of bank loans granted by financial institutions. These amounts were utilised for the repayment to minority shareholder of a subsidiary and the settlement of finance lease obligations on a monthly basis, as well as the servicing of interest payments. The above, coupled with the payment of final dividends to our shareholders and interim dividend payment made to a minority shareholder of a subsidiary, results in the **net cash used in financing activities**.

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

Group	Equity attributable to equity holders of the Company					
	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$	Minority interests \$	Total Equity \$
<b>Balance at 1 Jan 2008</b>	29,295,961	19,295,700	(594,050)	47,997,611	7,635,185	55,632,796
<b>Changes in equity for the year:</b>						
Issue of new shares	115,954	-	-	115,954	-	115,954
Capital contribution	-	-	-	-	451,500	451,500
Total comprehensive income for the period	-	6,042,747	(565,149)	5,477,598	1,056,326	6,533,924
<b>Balance at 31 Dec 2008</b>	29,411,915	25,338,447	(1,159,199)	53,591,163	9,143,011	62,734,174
<b>Changes in equity for the period:</b>						
Issue of new shares	173,796	-	-	173,796	-	173,796
Total comprehensive income for the period	-	1,398,460	44,106	1,442,566	297,952	1,740,518
<b>Balance at 31 Mar 2009</b>	29,585,711	26,736,907	(1,115,093)	55,207,525	9,440,963	64,648,488
<b>Changes in equity for the period:</b>						
Issue of new shares	27,787	-	-	27,787	-	27,787
Total comprehensive income for the period	-	1,663,240	(209,863)	1,453,377	275,046	1,728,423
Payment of first and final dividend	-	(840,346)	-	(840,346)	-	(840,346)
<b>Balance at 30 Jun 2009</b>	29,613,498	27,559,801	(1,324,956)	55,848,343	9,716,009	65,564,352
<b>Changes in equity for the period:</b>						
Issue of new shares	12,670	-	-	12,670	-	12,670
Total comprehensive income for the period	-	1,683,041	(138,630)	1,544,411	127,744	1,672,155
Payment of dividend to minority shareholder of a subsidiary	-	-	-	-	(102,000)	(102,000)
<b>Balance at 30 Sep 2009</b>	29,626,168	29,242,842	(1,463,586)	57,405,424	9,741,753	67,147,177



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

Company	Share capital \$	Accumulated profits \$	Total \$
<b>Balance at 1 Jan 2008</b>	29,295,961	10,859,010	40,154,971
<b>Changes in equity for the year:</b>			
Issue of new shares	115,954	-	115,954
Total comprehensive income for the period	-	2,568,926	2,568,926
<b>Balance at 31 Dec 2008</b>	<u>29,411,915</u>	<u>13,427,936</u>	<u>42,839,851</u>
<b>Changes in equity for the period:</b>			
Issue of new shares	173,796	-	173,796
Total comprehensive income for the period	-	533,814	533,814
<b>Balance at 31 Mar 2009</b>	<u>29,585,711</u>	<u>13,961,750</u>	<u>43,547,461</u>
<b>Changes in equity for the period:</b>			
Issue of new shares	27,787	-	27,787
Total comprehensive income for the period	-	1,243,190	1,243,190
Payment of first and final dividend	-	(840,346)	(840,346)
<b>Balance at 30 Jun 2009</b>	<u>29,613,498</u>	<u>14,364,594</u>	<u>43,978,092</u>
<b>Changes in equity for the period:</b>			
Issue of new shares	12,670	-	12,670
Total comprehensive income for the period	-	1,056,078	1,056,078
<b>Balance at 30 Sep 2009</b>	<u>29,626,168</u>	<u>15,420,672</u>	<u>45,046,840</u>

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

Share capital	Number of shares	\$
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2009	415,224,269	29,411,915
Issue of new shares		
- Exercise of warrants issued	6,121,524	214,253
Balance as at 30 Sep 2009	<u>421,345,793</u>	<u>29,626,168</u>

The Company issued 64,965,868 warrants in September 2007, of which 25,428,467 were exercised by warrant holders to subscribe for 25,428,467 new ordinary shares of the Company at the exercise price of \$0.035 per share as at 31 December 2008. During the 9 months ended 30 September 2009, an additional 6,121,524 warrants issued were exercised by warrant holders to subscribe for 6,121,524 new shares of the Company.

Subsequent to the balance sheet date, of the 33,415,877 warrants outstanding as at 30 September 2009, an additional 48,000 warrants were exercised for 48,000 new ordinary shares of the Company.

The Company did not hold any treasury shares as at 30 September 2009 (31/12/2008: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the 9 months ended 30 September 2009.



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1(e) **NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the third quarter and the nine months ended 30 September 2009 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 October 2009

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) as mentioned in paragraph 5 below, 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 2008.

5 **CHANGES IN ACCOUNTING POLICIES**

During the current financial year, the Group and the Company has adopted the following new and revised FRSs which took effect from financial year beginning 1 January 2009.

- Amendments to FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 (revised 2007) *Borrowing Costs*
- FRS 108 *Operating Segments*

These changes in accounting policies are assessed to have no material impact to the results or the opening balances of the accumulated profits of the Group and of the Company for the year ending 31 December 2009.

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

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Sep 2009</u>	<u>2008</u>	<u>9 months ended 30 Sep 2009</u>	<u>2008</u>
EPS (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.40	0.37	1.13	1.04
- on a fully diluted basis (cents)	0.37	0.35	1.07	0.97

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 419,618,795 (30/9/2008: 414,368,115).



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6 **EARNINGS PER ORDINARY SHARE (EPS) (cont'd)**

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 442,425,434 (30/9/2008: 444,138,662).

7 **NET ASSET VALUE PER SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2009</u>	<u>31 Dec 2008</u>	<u>30 Sep 2009</u>	<u>31 Dec 2008</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	15.94	15.11	10.69	10.32

Net asset value per share is computed based on the number of shares in issue as at 30 September 2009 of 421,345,793 (31/12/2008: 415,224,269).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

**9 months 2009 vs 9 months 2008**

	<u>Group</u>		<u>Increase (Decrease)</u>	
	<u>9 months ended 30 Sep 2009</u>	<u>2008</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Fish	35,862	35,225	637	1.8
Accessories	27,163	26,042	1,121	4.3
Plastics	7,719	8,936	(1,217)	(13.6)
	<u>70,744</u>	<u>70,203</u>	<u>541</u>	<u>0.8</u>

For the 9 months ended 30 September 2008, the ornamental fish and accessories activities continued to be our core activities, which together accounted for 89% of total revenue. Our revenue increased marginally by approximately \$0.5 million or 0.8% from \$70.2 million for the 9 months ended 30 September 2008 to \$70.7 million for the 9 months ended 30 September 2009.

On a geographical basis, revenue from Singapore dipped marginally by 0.5% while overseas revenue grew by 1.3% in first 9 months of 2009 as compared to its corresponding period in 2008. Both the Singapore and overseas operations' constant effort in expanding our distribution network into overseas untapped markets contributed to the increase in overseas revenue.

**3Q 2009 vs 3Q 2008**

	<u>Group</u>		<u>Increase (Decrease)</u>	
	<u>3Q 2009</u>	<u>3Q 2008</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Fish	11,998	11,820	178	1.5
Accessories	9,130	8,541	589	6.9
Plastics	2,746	3,252	(506)	(15.6)
	<u>23,874</u>	<u>23,613</u>	<u>261</u>	<u>1.1</u>

Our revenue increased marginally by approximately \$0.3 million or 1.1% in the 3<sup>rd</sup> quarter of 2009 as compared to its corresponding period in 2008.



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

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

**3Q 2009 vs 3Q 2008 (cont'd)**

**Fish**

With completion of the new breeding facilities in our Malaysia farm in end 2008, we are able to maintain a reliable supply of Dragon Fish. Our Dragon Fish sales continue to grow in tandem with our other ornamental fish revenue in the current financial year. 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 2008.

**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 2008.

In the 3<sup>rd</sup> quarter of 2008, the lower revenue was also partially due to the temporary reduction in revenue contribution from our Guangzhou factory as a result of the delay in rolling out of new products commissioned by our OEM customers when the production plan originally scheduled in September was deferred to early October.

**Plastics**

Revenue from plastics activities registered a reduction of \$0.5 million or 15.6% in the current quarter as compared to its corresponding period in 2008 mainly due to adjustments made to the selling prices of our plastic products in the current financial year following the significant reduction in the costs of our raw materials (resins – which fluctuate with the oil prices). Despite the reduction in revenue, we were able to command a better profit margin in the current quarter (please refer to commentary on profitability below).

**3Q 2009 vs 2Q 2009**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>3Q 2009</b>	<b>2Q 2009</b>		
Fish	11,998	12,012	(14)	(0.1)
Accessories	9,130	9,151	(21)	(0.2)
Plastics	2,746	2,555	191	7.5
	<b>23,874</b>	<b>23,718</b>	<b>156</b>	<b>0.7</b>

Although the revenue from our ornamental fish and accessories activities registered flat growth in the 3<sup>rd</sup> quarter of 2009 as compared to that of the previous quarter, the increase in our plastics revenue has resulted in a marginal increase in our overall revenue from \$23.7 million in the 2<sup>nd</sup> quarter of 2009 to \$23.9 million in the 3<sup>rd</sup> quarter of 2009.

**Fish**

Traditionally, the 3<sup>rd</sup> quarter of each year has been a relatively low season for our ornamental fish export business due to the summer holidays in Europe whereby our European customers would mostly take off for their own vacation. However, as we managed to diversify our export customer base to more and more countries each year, revenue from our ornamental fish activities remained relatively consistent in the current quarter, comparable to that of the previous quarter.





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

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

**3Q 2009 vs 2Q 2009 (cont'd)**

**Accessories**

Revenue from our accessories activities managed to sustain its sales level in the current quarter as compared to the previous quarter. All our subsidiaries in Malaysia, Thailand and China continue to channel in sales with their expanding distribution network.

**Plastics**

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

(b) **Profitability**

**9 months 2009 vs 9 months 2008**

	<b>Group</b>			
	<b>9 months ended 30 Sep</b>			
	<b>2009</b>	<b>2008</b>	<b>Increase (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	5,843	6,576	(733)	(11.1)
Accessories	1,968	1,821	147	8.1
Plastics	868	505	363	71.9
Unallocated corporate expenses	(1,809)	(2,053)	244	11.9
	<b>6,870</b>	<b>6,849</b>	<b>21</b>	<b>0.3</b>

In line with the marginal increase in revenue, our operating profit before taxation registered was approximately \$6.8 million in both periods. Profit after taxation attributable to equity holders increased by 10.2% from approximately \$4.3 million for the 9 months ended 30 September 2008 to \$4.7 million for the 9 months ended 30 September 2009. Despite a reduction in operating profit year-on-year, our fish business remained the main profit contributor in the current financial year.

**3Q 2009 vs 3Q 2008**

	<b>Group</b>			
	<b>3Q</b>	<b>3Q</b>		
	<b>2009</b>	<b>2008</b>	<b>Increase (Decrease)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Fish	2,050	1,956	94	4.8
Accessories	649	809	(160)	(19.8)
Plastics	202	155	47	30.3
Unallocated corporate expenses	(668)	(563)	(105)	(18.7)
	<b>2,233</b>	<b>2,357</b>	<b>(124)</b>	<b>(5.3)</b>



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

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

**3Q 2009 vs 3Q 2008 (cont'd)**

**Fish**

The operating profit from our ornamental fish activities increased by approximately \$0.1 million or 4.8% in the current quarter as compared to the previous quarter mainly due to better margins yielded from the increase in the sales of our self-bred Dragon Fish. As mentioned, with the completion of the new breeding facilities in our Malaysia farm in end 2008, we manage to sell more of our self-bred Dragon Fish since the 2<sup>nd</sup> quarter of 2009 as Dragon Fish off-springs need 3 to 6 months to grow into marketable size.

The reliant of our export of ornamental fish business continued to turn in consistent revenue and respectable profit margins.

**Accessories**

Compared to its corresponding period in 2008, the increase in revenue contributions in the current quarter was substantially from our Guangzhou factory as there was a delay in rolling out of new products in the 3<sup>rd</sup> quarter of 2008. As these manufactured products yielded lower profit margins, operating profit from our accessories business decreased by approximately \$0.2 million or 19.8% in the 3<sup>rd</sup> quarter of 2009 as compared to its corresponding period in 2008, notwithstanding the better profit margin contribution from our export of accessories.

**Plastics**

Operating profit from our plastics activities increased by 30.3% on a quarter-on-quarter basis despite a reduction in revenue as it has since managed to recoup its profit margin which was eroded since the 2<sup>nd</sup> quarter of 2008 as a result of increasing raw material (resins) prices then. In addition, its profitability was further lifted with cost-saving measures put in place as compared to its corresponding period in 2008.

**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 increase in corporate expenses reported in the current quarter was in accordance with the Group's expansion into more overseas markets.

**3Q 2009 vs 2Q 2009**

	<u>Group</u>		<u>Increase</u>	
	<u>3Q</u>	<u>2Q</u>	<u>(Decrease)</u>	
	<u>2009</u>	<u>2009</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	2,050	2,020	30	1.5
Accessories	649	717	(68)	(9.5)
Plastics	202	294	(92)	(31.3)
Unallocated corporate expenses	(668)	(479)	(189)	(39.5)
	<u>2,233</u>	<u>2,552</u>	<u>(319)</u>	<u>(12.5)</u>



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

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

**3Q 2009 vs 2Q 2009 (cont'd)**

**Fish**

Notwithstanding the lower revenue recorded in the current quarter as compared to the previous quarter, our operating profit from ornamental fish increased marginally mainly due to better margins yielded from the increase in the sales of our self-bred Dragon Fish this quarter. As mentioned, with the completion of the new breeding facilities in our Malaysia farm in end 2008, we manage to increasingly sell more of our self-bred Dragon Fish in the 3<sup>rd</sup> quarter than in the 2<sup>nd</sup> quarter of 2009.

**Accessories**

The reduction in operating profit from our accessories activities were in accordance with the decline in revenue contributions.

**Plastics**

Despite registering improvement in revenue over the previous quarter, the decrease in operating profit from our plastics activities by \$0.1 million or 31.3% in the current quarter was mainly due to the relatively higher raw material (resins) prices as compared to the previous quarter, 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 2009 depends on:

- increase in our export of ornamental fish;
- escalation of our export of aquarium and pet accessories;
- continued growth in our breeding and sales of Dragon Fish;
- increase in our profit margins; and
- expansion of our domestic distribution network in the various countries we operate in.

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 continue our investment in research and development;
- 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 12 January 2009 and as set out on pages 10 to 13 of our Annual Report 2008, are expected to continue to apply in the next quarter.

In spite of the lingering global economic situation, we envisage – barring any unforeseen circumstances – continued growth in our revenue and profitability in the current financial year.



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11 **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 decisions 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.

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

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

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



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

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

Group	9 months ended 30 September 2008				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	35,225	26,042	8,936	-	70,203
Inter-segment revenue	4,384	7,313	127	(11,824)	-
<b>Total Revenue</b>	<b>39,609</b>	<b>33,355</b>	<b>9,063</b>	<b>(11,824)</b>	<b>70,203</b>
<b>Results</b>					
EBITDA	8,048	2,483	628	(1,827)	9,332
Depreciation and amortisation	(1,111)	(568)	(123)	-	(1,802)
Interest expenses	(376)	(57)	-	(226)	(659)
Interest income	15	3	-	-	18
	6,576	1,861	505	(2,053)	6,889
Share of losses of associate	-	(40)	-	-	(40)
Profit before taxation	6,576	1,821	505	(2,053)	6,849
Taxation	(1,171)	(266)	(63)	-	(1,500)
<b>Profit for the period</b>	<b>5,405</b>	<b>1,555</b>	<b>442</b>	<b>(2,053)</b>	<b>5,349</b>
<b>Net profit margin</b>	<b>15.3%</b>	<b>6.0%</b>	<b>4.9%</b>		<b>7.6%</b>
<b>Assets and Liabilities</b>					
Total Assets	60,219	30,325	3,958	1,232	95,734
Investment in associate	-	1,490	-	-	1,490
Total Liabilities	19,413	3,963	1,672	9,887	34,935
<b>Other Segment Information</b>					
Expenditures for non-current assets	8,208	643	54	-	8,905
Other non-cash items:					
Bad trade receivables					
- written off	4	3	-	-	7
- recovered	-	(17)	-	-	(17)
Gain on disposal of property, plant and equipment	(11)	(29)	-	-	(40)
Property, plant and equipment written off	3	3	-	-	6
Allowance for					
- doubtful trade receivables	54	23	22	-	99
- inventory obsolescence	-	14	-	-	14



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

(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.

Group	Revenue		Non-current Assets		Total Assets	
	9 months ended 30 Sep		9 months ended 30 Sep		9 months ended 30 Sep	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	19,568	19,675	9,136	6,219	32,020	29,842
Other Asian countries	28,227	29,138	37,639	35,848	68,699	64,402
Europe	15,539	14,867	752	797	922	1,490
Others	7,410	6,523	-	-	-	-
<b>Total</b>	<b>70,744</b>	<b>70,203</b>	<b>47,527</b>	<b>42,864</b>	<b>101,641</b>	<b>95,734</b>

12 **DIVIDEND**

No interim dividend for the 9 months ended 30 September 2009 is recommended.

13 **INTERESTED PERSON TRANSACTIONS**

Except for consultancy fees amounting to \$15,300 (30/9/2008: Nil) 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 the 9 months ended 30 September 2009.



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14 **BREAKDOWN OF REVENUE**

<b>Revenue (Group)</b>	<b>Fish \$'000</b>	<b>Accessories \$'000</b>	<b>Plastics \$'000</b>	<b>Total \$'000</b>
<b>3Q 2009</b>				
Singapore (including domestic sales & sales to Singapore)	3,175	1,940	2,677	7,792
Overseas (including export to & sales in overseas)	8,823	7,190	69	16,082
<b>Total revenue</b>	<b>11,998</b>	<b>9,130</b>	<b>2,746</b>	<b>23,874</b>
<b>3Q 2008</b>				
Singapore	1,749	2,004	3,183	6,936
Overseas	10,071	6,537	69	16,677
<b>Total revenue</b>	<b>11,820</b>	<b>8,541</b>	<b>3,252</b>	<b>23,613</b>
<b>9 months ended 30 Sep 2009</b>				
Singapore (including domestic sales & sales to Singapore)	6,432	5,656	7,480	19,568
Overseas (including export to & sales in overseas)	29,430	21,507	239	51,176
<b>Total revenue</b>	<b>35,862</b>	<b>27,163</b>	<b>7,719</b>	<b>70,744</b>
<b>9 months ended 30 Sep 2008</b>				
Singapore	5,061	5,932	8,682	19,675
Overseas	30,164	20,110	254	50,528
<b>Total revenue</b>	<b>35,225</b>	<b>26,042</b>	<b>8,936</b>	<b>70,203</b>

**BY ORDER OF THE BOARD**

Kenny Yap Kim Lee  
Executive Chairman and Managing Director  
19 October 2009