



**Interim Financial Information
As at and for the Half Year Ended
30 June 2024**

QIAN HU CORPORATION LIMITED

Incorporated in the Republic of Singapore
Company Registration Number – 199806214N

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

INTERIM FINANCIAL INFORMATION
AS AT AND FOR THE HALF YEAR ENDED 30 JUNE 2024

STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30 Jun 2024 \$	As at 31 Dec 2023 \$	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$
ASSETS					
Property, plant and equipment	3	7,695,022	8,602,010	2,619,685	3,036,543
Biological assets - brooder stocks	4	126,000	132,750	126,000	132,750
Intangible assets	5	6,603,092	6,664,872	2,554,022	2,615,022
Subsidiaries	6	-	-	3,627,287	3,524,387
Trade and other receivables	9	-	-	4,850,220	4,850,220
Non-current assets		14,424,114	15,399,632	13,777,214	14,158,922
Biological assets - breeder stocks	4	31,839	-	-	-
Financial asset at fair value through profit or loss ("FVTPL")	7	1,413,604	1,379,181	1,413,604	1,379,181
Inventories	8	11,815,689	12,239,635	4,438,457	4,716,185
Trade and other receivables	9	15,321,546	14,368,173	17,052,060	16,931,561
Cash and cash equivalents		14,318,550	15,546,221	7,729,497	8,168,917
Current assets		42,901,228	43,533,210	30,633,618	31,195,844
Total assets		57,325,342	58,932,842	44,410,832	45,354,766
EQUITY					
Share capital	10	30,772,788	30,772,788	30,772,788	30,772,788
Reserves		8,467,595	8,720,552	903,203	897,582
Equity attributable to owners of the Company		39,240,383	39,493,340	31,675,991	31,670,370
Non-controlling interests		2,255,664	2,238,288	-	-
Total equity		41,496,047	41,731,628	31,675,991	31,670,370
LIABILITIES					
Loans and borrowings	11	1,086,963	1,562,395	152,011	216,920
Deferred tax liabilities		47,998	47,936	-	-
Non-current liabilities		1,134,961	1,610,331	152,011	216,920
Loans and borrowings	11	6,349,151	6,387,150	5,128,428	5,125,682
Trade and other payables	12	8,027,848	8,855,519	7,246,945	8,134,337
Current tax payable		317,335	348,214	207,457	207,457
Current liabilities		14,694,334	15,590,883	12,582,830	13,467,476
Total liabilities		15,829,295	17,201,214	12,734,841	13,684,396
Total equity and liabilities		57,325,342	58,932,842	44,410,832	45,354,766
Inventory turnover (days)		116	122	74	74
Trade receivables turnover (days)		64	63	72	67
Debt equity ratio (times)		0.38	0.41	0.40	0.43



QIAN HU CORPORATION LIMITED
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 30 JUNE 2024

	Note	Group		Change %
		6 months ended 30 Jun		
		2024 \$	2023 \$	
Revenue	13	35,150,948	34,344,588	2.3
Cost of sales		(22,817,461)	(22,556,948)	1.2
Gross profit		12,333,487	11,787,640	4.6
Other income	14	1,428,923	1,626,200	(12.1)
Selling & distribution expenses		(1,269,961)	(1,270,507)	(0.0)
General & administrative expenses		(11,900,681)	(11,778,395)	1.0
Impairment loss on trade receivables		(81,140)	(17,351)	367.6
Results from operating activities		510,628	347,587	46.9
Finance income		73,320	64,076	14.4
Finance costs		(194,057)	(225,312)	(13.9)
Net finance costs	15	(120,737)	(161,236)	(25.1)
Profit before tax	16	389,891	186,351	109.2
Tax expense	17	(74,762)	(75,985)	(1.6)
Profit for the period		315,129	110,366	185.5
Profit attributable to:				
Owners of the Company		250,532	29,749	742.2
Non-controlling interests		64,597	80,617	(19.9)
Profit for the period		315,129	110,366	185.5
Earnings per share (cents)	18			
Basic		0.22	0.03	
Diluted		0.22	0.03	
Gross profit margin		35.1%	34.3%	
Net profit margin		0.9%	0.3%	
Effective tax rate		19.4%	41.1%	



QIAN HU CORPORATION LIMITED
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2024

	Group		
	6 months ended 30 Jun		Change
	2024	2023	
	\$	\$	%
Profit for the period	315,129	110,366	185.5
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences - foreign operations, net of tax	(254,231)	(130,030)	95.5
Other comprehensive income for the period, net of tax	(254,231)	(130,030)	95.5
Total comprehensive income for the period	60,898	(19,664)	409.7
Total comprehensive income attributable to:			
Owners of the Company	87,622	(59,628)	246.9
Non-controlling interests	(26,724)	39,964	(166.9)
Total comprehensive income for the period	60,898	(19,664)	409.7



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STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company			Total	Non-Controlling interests	Total equity
	Share capital	Retained earnings	Translation reserve			
	\$	\$	\$	\$	\$	\$
At 1 January 2024	30,772,788	9,377,729	(657,177)	39,493,340	2,238,288	41,731,628
Total comprehensive income for the period						
Profit for the period	-	250,532	-	250,532	64,597	315,129
Other comprehensive income						
Foreign currency translation differences - foreign operations, net of tax	-	-	(162,910)	(162,910)	(91,321)	(254,231)
Total other comprehensive income	-	-	(162,910)	(162,910)	(91,321)	(254,231)
Total comprehensive income for the period	-	250,532	(162,910)	87,622	(26,724)	60,898
Transactions with owners of the Company, recognised directly in equity						
<i>Distributions to owners</i>						
Dividends paid	-	(340,579)	-	(340,579)	-	(340,579)
Total distributions to owners	-	(340,579)	-	(340,579)	-	(340,579)
<i>Changes in ownership interests</i>						
Incorporation of subsidiary with non-controlling interest	-	-	-	-	44,100	44,100
Total changes in ownership interests	-	-	-	-	44,100	44,100
Total transactions with owners of the Company	-	(340,579)	-	(340,579)	44,100	(296,479)
At 30 June 2024	30,772,788	9,287,682	(820,087)	39,240,383	2,255,664	41,496,047
At 1 January 2023	30,772,788	18,995,161	(512,945)	49,255,004	2,295,749	51,550,753
Total comprehensive income for the period						
Profit for the period	-	29,749	-	29,749	80,617	110,366
Other comprehensive income						
Foreign currency translation differences - foreign operations, net of tax	-	-	(89,377)	(89,377)	(40,653)	(130,030)
Total other comprehensive income	-	-	(89,377)	(89,377)	(40,653)	(130,030)
Total comprehensive income for the period	-	29,749	(89,377)	(59,628)	39,964	(19,664)
Transactions with owners of the Company, recognised directly in equity						
<i>Distributions to owners</i>						
Dividends paid	-	(340,579)	-	(340,579)	-	(340,579)
Total transactions with owners of the Company	-	(340,579)	-	(340,579)	-	(340,579)
At 30 June 2023	30,772,788	18,684,331	(602,322)	48,854,797	2,335,713	51,190,510



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STATEMENTS OF CHANGES IN EQUITY (cont'd)

Company	Share capital \$	Retained earnings \$	Translation reserve \$	Total equity \$
At 1 January 2024	30,772,788	808,030	89,552	31,670,370
Total comprehensive income for the period				
Profit for the period	-	346,367	-	346,367
Other comprehensive income				
Foreign currency translation differences - foreign operations, net of tax	-	-	(167)	(167)
Total other comprehensive income	-	-	(167)	(167)
Total comprehensive income for the period	-	346,367	(167)	346,200
Transactions with owners of the Company, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	-	(340,579)	-	(340,579)
Total transactions with owners of the Company	-	(340,579)	-	(340,579)
At 30 June 2024	30,772,788	813,818	89,385	31,675,991
At 1 January 2023	30,772,788	8,749,818	88,737	39,611,343
Total comprehensive income for the period				
Profit for the period	-	185,551	-	185,551
Other comprehensive income				
Foreign currency translation differences - foreign operations, net of tax	-	-	61,218	61,218
Total other comprehensive income	-	-	61,218	61,218
Total comprehensive income for the period	-	185,551	61,218	246,769
Transactions with owners of the Company, recognised directly in equity				
<i>Distributions to owners</i>				
Dividends paid	-	(340,579)	-	(340,579)
Total transactions with owners of the Company	-	(340,579)	-	(340,579)
At 30 June 2023	30,772,788	8,594,790	149,955	39,517,533



QIAN HU CORPORATION LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2024

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Cash flows from operating activities		
Profit before tax	389,891	186,351
Adjustments for:		
Amortisation of intangible assets	61,792	61,534
Bad trade receivables recovered	(1,106)	(1,932)
Impairment loss on trade receivables	81,140	17,351
Write back of allowance for inventory obsolescence	-	(50,000)
Depreciation of		
- property, plant and equipment	1,445,919	1,383,090
- biological assets - brooder stocks	6,750	84,969
(Gain) Loss on disposal of property, plant and equipment	(1,668)	7,610
Net change in fair value of financial asset at FVTPL	(34,423)	(25,000)
Finance costs	194,057	225,312
Finance income	(73,320)	(64,076)
	<u>2,069,032</u>	<u>1,825,209</u>
Changes in:		
Inventories	353,373	1,223,478
Biological assets - breeder stocks	(31,839)	-
Trade and other receivables	(1,090,985)	(1,619,960)
Trade and other payables	(816,464)	(1,164,634)
Cash generated from operations	<u>483,117</u>	<u>264,093</u>
Tax paid	(108,973)	(209,024)
Net cash from operating activities	<u>374,144</u>	<u>55,069</u>
Cash flows from investing activities		
Acquisition of		
- property, plant and equipment	(393,098)	(358,095)
- intangible asset	-	(4,802)
Interest received	73,320	64,076
Proceeds from disposal of property, plant and equipment	1,789	-
Net cash used in investing activities	<u>(317,989)</u>	<u>(298,821)</u>



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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2024 (cont'd)

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Cash flows from financing activities		
Dividends paid to owners of the Company	(340,579)	(340,579)
Interest paid	(194,032)	(236,441)
Repayment of		
- lease liabilities	(706,898)	(634,746)
- bank term loans	-	(2,500,000)
Capital contribution from non-controlling interest	44,100	-
Net cash used in financing activities	(1,197,409)	(3,711,766)
Net decrease in cash and cash equivalents	(1,141,254)	(3,955,518)
Cash and cash equivalents at beginning of period	15,546,221	20,116,838
Effect of exchange rate fluctuations on cash held	(86,417)	(214,978)
Cash and cash equivalents at end of period (Note i)	14,318,550	15,946,342

(i) Cash and cash equivalents comprised:

	Group	
	As at	As at
	30 Jun 2024	30 Jun 2023
	\$	\$
Short-term deposits	3,333,499	2,172,359
Cash and bank balances	10,985,051	13,773,983
	14,318,550	15,946,342



QIAN HU CORPORATION LIMITED
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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Corporate information

Qian Hu Corporation Limited (the Company) is incorporated in the Republic of Singapore.

These condensed interim financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group and the Company are those relating to import, export, farming, breeding and distribution of ornamental/edible fishes and aquarium and pet accessories, as well as the manufacturing and distribution of aquarium accessories and plastic bags (see Notes 13 and 22).

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements as at and for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2023.

Other than the adoption of the amended standards as set out in Note 2.5, 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 2023, which were in accordance with SFRS(I)s.

2.2 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

2.3 Functional and presentation currencies

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency.

2.4 Uses of estimates and judgements

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

2.4 Uses of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next reporting period are included in the following note:

- Note 9 – measurement of expected credit loss (ECL) allowance for trade and other receivables: key assumptions in determining the weighted-average loss rate

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team led by the Finance Director that has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques (see Note 23).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

2.5 Changes in accounting policies

New standards and amendments adopted by the Group

During the current financial year, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2024:

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ending 31 December 2024. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

3 Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of \$580,498 (30/6/2023: \$2,134,363), of which \$187,400 (30/6/2023: \$1,776,268) relates to right-of-use assets. Cash payments of \$393,098 (30/6/2023: \$358,095) were made to purchase property, plant and equipment.

4 Biological assets

	Group and Company	
	As at 30 Jun 2024	As at 31 Dec 2023
	\$	\$
Brooder stocks		
Cost		
At 1 January	135,000	9,568,000
Additions during the period/year	-	135,000
Loss during the period/year	-	(9,568,000)
At 30 June/31 December	135,000	135,000
Accumulated depreciation and impairment loss		
At 1 January	2,250	1,899,234
Depreciation charge for the period/year	6,750	144,817
Loss during the period/year	-	(2,041,801)
At 30 June/31 December	9,000	2,250
Net carrying amount		
At 30 June/31 December	126,000	132,750



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

4 Biological assets (cont'd)

Brooder stocks are parent stocks of dragon fish, held by the Group and the Company for use in the breeding of dragon fish. Due to the uniqueness of each dragon fish and as an active market does not exist for the brooder stocks, the brooder stocks are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The depreciation method, useful lives and residual values are reviewed at each reporting date.

As at 30 June 2024, breeder stocks are the juveniles and fingerlings of marble goby held to cultivate for trading purposes. These stocks are measured based on their fair value, which are determined based on the biomass volume, size distribution and the estimated market prices as at the reporting date.

Impairment tests for cash-generating units (CGU) containing biological assets

The recoverable amount of the biological assets is based on value-in-use (VIU) and is determined by discounting the future cash flows to be generated from the continuing use of the CGU. No impairment loss was required for the carrying amount of biological assets as at 30 June 2024 and 31 December 2023 as the recoverable amount was in excess of the carrying amount.

Key assumptions used in the calculation of recoverable amount of biological assets are discount rates, production yield and growth rates.

Discount rate

The discount rates used are pre-tax based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

Production yield

Management estimates the production yield based on the actual breeder production for the past 12 months adjusted for the expected production yield.

Budgeted revenue growth

The anticipated annual revenue growth included in the cash flow projections was based on past performance and its expectation for market development.

5 Intangible assets

	Group		Company	
	As at 30 Jun 2024	As at 31 Dec 2023	As at 30 Jun 2024	As at 31 Dec 2023
	\$	\$	\$	\$
Trademarks/customer acquisition costs/formulation rights	3,802,558	3,802,542	3,717,806	3,717,806
Goodwill on consolidation	4,046,430	4,046,430	-	-
	7,848,988	7,848,972	3,717,806	3,717,806
Less Accumulated amortisation	(1,245,896)	(1,184,100)	(1,163,784)	(1,102,784)
	6,603,092	6,664,872	2,554,022	2,615,022



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

5 Intangible assets (cont'd)

Trademarks/customer acquisition costs/formulation rights relate to costs paid to third parties in relation to: -

- acquisition of trademarks rights of certain brands of pet food. Such costs were determined to have indefinite lives and are tested for impairment annually;
- acquisition of customer base, which is amortised over three years; and
- acquisition of trademarks and formulation rights of certain products, which are amortised over 25 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 the subsidiary acquired. The goodwill balance is subject to annual impairment testing.

(i) *Impairment tests for CGU containing trademarks/customer acquisition costs*

The recoverable amount of the costs paid in relation to the acquisition and registration of trademarks and brands of pet food is based on the VIU and are determined by discounting the future cash flows to be generated from the continuing use of the CGU. No impairment is required for the carrying amount of trademarks/customer acquisition costs as at 30 June 2024 and 31 December 2023 as the recoverable amount was in excess of the carrying amount.

Key assumptions used in the calculation of recoverable amounts of trademarks/customer acquisition costs are discount rates and growth rates.

Discount rate

The discount rates used are pre-tax based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

Terminal value growth rate

Management includes five years of cash flows based on financial budgets approved by the directors in their discounted cash flow models. A long-term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for Singapore in which the division is based and the long-term compound annual growth rate in earnings before interest, taxation, depreciation and amortisation (EBITDA) estimated by management.

Budgeted revenue growth

The anticipated annual revenue growth included in the cash flow projections was based on past performance and its expectation for market development.

(ii) *Impairment tests for goodwill arising from the business combination of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (GZQH)*

The goodwill is attributable mainly to the synergies expected to be achieved from integrating GZQH into the Group's existing accessories business. The recoverable amount of this CGU is based on its VIU and are determined by discounting the future cash flows to be generated from the continuing use of the CGU. No impairment loss was required for the carrying amount of goodwill as at 30 June 2024 and 31 December 2023 as the recoverable amount was in excess of the carrying amount.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

5 Intangible assets (cont'd)

(ii) *Impairment tests for goodwill arising from the business combination of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (GZQH) (cont'd)*

Key assumptions used in discounted cash flow projection calculations used in the estimation of value in use are discount rate, growth rate and net profit margin.

Discount rate

The discount rates used are pre-tax based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific business activities.

Terminal growth rate

A long-term growth rate into perpetuity has been determined as the lower of the nominal GDP rates for People's Republic of China in which GZQH operates and the long-term compound annual growth rate in EBITDA estimated by management.

Net profit margin

The net profit margin is determined by comparing against the Group's historical performance in similar business segment, future business plans and consideration of other external and internal factors.

6 Subsidiaries

During the current financial period, the Company incorporated a subsidiary in Malaysia known as Qian Hu Aquaculture (M) Sdn. Bhd. ("QHAM"). As at 30 June 2024, the issued and paid up capital in QHAM amounting to RM513,000 (approximately \$147,000), of which 70% is held by the Company. The principal activities of QHAM are relating to the farming and distribution of aquaculture products.

The incorporation of QHAM was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group or of the Company for the financial year ending 31 December 2024.

7 Financial asset at fair value through profit or loss ("FVTPL")

	Group and Company	
	As at 30 Jun 2024	As at 31 Dec 2023
	\$	\$
Non-listed debt instrument - convertible loan		
At 1 January	1,379,181	1,049,660
Net change in fair value	34,423	329,521
At 30 June/31 December	<u>1,413,604</u>	<u>1,379,181</u>

On 20 December 2021, the Company entered into a \$1 million unsecured convertible loan ("USCL") agreement with AquaEasy Pte Ltd ("AquaEasy"). The USCL, paid in January 2022, bore interest at 5% per annum from the date of disbursement of the loan to AquaEasy and had matured on 30 June 2023.



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7 Financial asset at fair value through profit or loss (“FVTPL”) (cont'd)

On 22 May 2023, the Company has agreed with AquaEasy to extend the maturity date of the USCL from 30 June 2023 to 31 December 2024. The subsequent tenure bears interest at 6% per annum.

The currency profile of the financial asset at FVTPL as at the end of the reporting period is Singapore dollar.

8 Inventories

	Group		Company	
	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$
Fish	1,759,561	1,608,042	979,843	919,534
Accessories	8,942,450	9,416,363	3,458,614	3,796,651
Plastics products - raw materials	351,349	466,283	-	-
Plastics products - finished goods	762,329	748,947	-	-
	<u>11,815,689</u>	<u>12,239,635</u>	<u>4,438,457</u>	<u>4,716,185</u>

9 Trade and other receivables

	Group		Company	
	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$
Trade receivables	12,697,075	12,202,442	7,270,887	7,157,646
Loss allowance	(1,540,369)	(1,463,910)	(900,000)	(820,000)
Net receivables	11,156,706	10,738,532	6,370,887	6,337,646
Deposits	637,685	665,601	155,070	152,610
Tax recoverable	99,285	120,991	-	-
Other receivables	1,027,952	816,579	846,184	650,164
Deposit for purchase of property, plant and equipment	1,002,641	849,680	150,000	-
Amount due from subsidiaries:				
- trade	-	-	10,924,913	11,367,259
- non-trade	-	-	2,806,858	2,892,703
Amortised cost	13,924,269	13,191,383	21,253,912	21,400,382
Prepayments	535,958	614,910	105,150	116,701
Advances to suppliers	861,319	561,880	543,218	264,698
	<u>15,321,546</u>	<u>14,368,173</u>	<u>21,902,280</u>	<u>21,781,781</u>
Non-current	-	-	4,850,220	4,850,220
Current	<u>15,321,546</u>	<u>14,368,173</u>	<u>17,052,060</u>	<u>16,931,561</u>
	<u>15,321,546</u>	<u>14,368,173</u>	<u>21,902,280</u>	<u>21,781,781</u>



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9 Trade and other receivables (cont'd)

Included in the amount due from subsidiaries is an amount due from Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (“GZQH”) of approximately \$7.8 million as at 30 June 2024 (31/12/2023: \$8.1 million). Based on the revised repayment arrangement made with GZQH in FY 2023, \$3.2 million of the outstanding amount as at 31 December 2023 is due on 31 December 2024 and the remaining amount of approximately \$4.9 million is neither planned and is not expected to be repaid within the next 12 months.

Expected credit loss (ECL) assessment

An allowance matrix was used to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

The allowance matrix is based on actual credit loss experience over the past 3 years (31/12/2023: 3 years). The ECL computed is solely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

10 Share capital

	Number of shares	\$
Fully paid ordinary shares with no par value:		
At 1 January 2024 and 30 June 2024	<u>113,526,467</u>	<u>30,772,788</u>

There was no movement in the issued and paid-up capital of the Company since 31 December 2023.

There were no outstanding convertibles as at 30 June 2024 (30/6/2023: Nil).

The Company did not hold any treasury shares as at 30 June 2024 (30/6/2023: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2024.

11 Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$	As at 30 Jun 2024 \$	As at 31 Dec 2023 \$
Non-current liabilities				
Lease liabilities	1,086,963	1,562,395	152,011	216,920
Current liabilities				
Bank term loans (unsecured)	5,000,000	5,000,000	5,000,000	5,000,000
Lease liabilities	1,349,151	1,387,150	128,428	125,682
	<u>6,349,151</u>	<u>6,387,150</u>	<u>5,128,428</u>	<u>5,125,682</u>
Total borrowings	<u>7,436,114</u>	<u>7,949,545</u>	<u>5,280,439</u>	<u>5,342,602</u>



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11 Loans and borrowings (cont'd)

The unsecured bank term loans are revolving bank loans that bear interest at rates ranging from 4.75% to 4.90% (31/12/2023: 4.75% to 5.01%) per annum and are repayable within the next 12 months from the reporting date.

As at 30 June 2024, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$1.6 million (31/12/2023: \$1.6 million).

12 Trade and other payables

	Group		Company	
	As at 30 Jun 2024	As at 31 Dec 2023	As at 30 Jun 2024	As at 31 Dec 2023
	\$	\$	\$	\$
Trade payables	3,203,655	3,409,407	1,413,107	1,846,501
Accrued operating expenses	640,231	830,023	508,945	653,388
Accrued interest payable	7,906	7,881	7,906	7,881
Other payables	1,509,898	1,324,818	1,047,848	964,049
Accrued staff costs	2,252,585	2,724,496	1,724,711	2,278,904
Advance received from customers	413,573	558,894	159,484	236,994
Amounts due to subsidiaries:				
- trade	-	-	1,149,537	831,416
- non-trade	-	-	1,235,407	1,315,204
	8,027,848	8,855,519	7,246,945	8,134,337

13 Revenue

	Group	
	6 months ended 30 Jun 2024	2023
	\$	\$
Sales of goods		
- Fish	14,449,179	14,176,047
- Accessories	16,733,869	16,265,667
- Plastics	3,967,900	3,902,874
	35,150,948	34,344,588



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

13 Revenue (cont'd)

(i) Disaggregation of revenue

The following table set out the Group's revenue disaggregated by primary geographical markets and major products. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 22).

Group	Fish		Accessories		Plastics		Total	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Primary geographical markets								
Singapore	3,471,792	4,238,951	5,673,063	5,723,363	3,851,819	3,669,903	12,996,674	13,632,217
Other Asian countries	5,745,588	5,085,222	9,305,020	8,958,704	67,480	164,725	15,118,088	14,208,651
Europe	2,355,207	2,247,593	337,334	96,033	30,555	39,842	2,723,096	2,383,468
Others	2,876,592	2,604,281	1,418,452	1,487,567	18,046	28,404	4,313,090	4,120,252
	<u>14,449,179</u>	<u>14,176,047</u>	<u>16,733,869</u>	<u>16,265,667</u>	<u>3,967,900</u>	<u>3,902,874</u>	<u>35,150,948</u>	<u>34,344,588</u>

(ii) Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

14 Other income

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Gain (Loss) on disposal of property, plant and equipment	1,668	(7,610)
Net change in fair value of financial asset at FVTPL	34,423	25,000
Handling income (net)	1,314,774	1,515,780
Sundry income	78,058	93,030
	<u>1,428,923</u>	<u>1,626,200</u>



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15 Net finance costs

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Interest income		
- bank deposits	73,320	64,076
Interest expense		
- bank loans and overdrafts	(123,648)	(181,415)
- bills payable to banks	(881)	(2,346)
- lease liabilities	(69,528)	(41,551)
	<u>(194,057)</u>	<u>(225,312)</u>
Net finance costs	<u>(120,737)</u>	<u>(161,236)</u>

16 Profit before tax

The followings items have been included in arriving at profit before tax:

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Write back of allowance for inventory obsolescence	-	(50,000)
Auditors' remuneration		
- auditors of the Company	79,000	69,000
- other auditors	9,811	9,227
Non-audit fees		
- other auditors	3,307	3,307
Directors' fees	40,000	40,000
Bad trade receivables recovered	(1,106)	(1,932)
Depreciation of		
- property, plant and equipment	1,445,919	1,383,090
- biological assets - brooder stocks	6,750	84,969
Amortisation of intangible assets	61,792	61,534
Exchange gain, net	(250,141)	(39,889)
Short term leases	66,654	73,551
Staff costs		
- salaries and bonus*	6,795,138	6,481,700
- provident fund contributions*	503,576	479,456
- staff welfare benefits	581,924	429,653
- foreign worker levy	200,333	198,940

* Include directors' remuneration.



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17 Tax expense

	Group	
	6 months ended 30 Jun	
	2024	2023
	\$	\$
Current tax expense		
Current year	75,749	76,530
Over provision in respect of prior year	(987)	(545)
	<u>74,762</u>	<u>75,985</u>

18 Earnings per share

	Group	
	6 months ended 30 Jun	
	2024	2023
Profit attributable to owners of the Company (\$)	<u>250,532</u>	<u>29,749</u>
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	<u>113,526,467</u>	<u>113,526,467</u>
Basic earnings per share (cents)	<u>0.22</u>	<u>0.03</u>

The calculation of basic earnings per share was based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding.

The Group has no dilution in its per share as at 30 June 2024 and 30 June 2023.

19 Net asset value per share

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Net asset value per share based on existing issued share capital as at the respective dates (cents)	<u>34.56</u>	<u>34.79</u>	<u>27.90</u>	<u>27.90</u>

Net asset value per share for both periods is computed based on the number of shares in issue of 113,526,467.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

20 Dividends

No interim dividend for the half year ended 30 June 2024 (30/6/2023: Nil) is recommended as the Group intends to conserve cash. It is the Group's practice to recommend dividend payment annually together with its audited full-year results.

21 Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered by the Group during the financial period ended 30 June 2024.

22 Operating segments

(a) Business segments

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

The Group's activities comprise the following reportable segments:

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



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

22 Operating segments (cont'd)

(a) Business segments (cont'd)

Group	6 months ended 30 Jun 2024				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	14,449	16,734	3,968	-	35,151
Inter-segment revenue	1,576	3,522	75	(5,173)	-
Total Revenue	16,025	20,256	4,043	(5,173)	35,151
Results					
EBITDA *	1,954	857	754	(1,540)	2,025
Depreciation and amortisation	(521)	(712)	(258)	(23)	(1,514)
Interest expense	(4)	(44)	(22)	(124)	(194)
Interest income	17	49	-	7	73
Profit before tax	1,446	150	474	(1,680)	390
Tax expense	(66)	(9)	-	-	(75)
Profit for the period	1,380	141	474	(1,680)	315
Net profit margin	9.6%	0.8%	11.9%		0.9%
Assets and Liabilities					
Segment assets	21,203	27,001	5,366	3,755	57,325
Segment liabilities	4,407	4,374	1,620	5,428	15,829
Other Segment Information					
Expenditures for non-current assets **	344	25	24	-	393
Other non-cash items:					
Bad trade receivables recovered	(1)	-	-	-	(1)
Gain on disposal of property, plant and equipment	***	(2)	-	-	(2)
Impairment loss on trade receivables	80	1	-	-	81
Net change in fair value of financial asset at FVTPL	-	-	-	(34)	(34)

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

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

*** Amount less than \$1,000.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

22 Operating segments (cont'd)

(a) Business segments (cont'd)

Group	6 months ended 30 Jun 2023				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
Revenue					
External revenue	14,176	16,266	3,903	-	34,345
Inter-segment revenue	1,623	4,283	99	(6,005)	-
Total Revenue	15,799	20,549	4,002	(6,005)	34,345
Results					
EBITDA *	1,619	1,089	620	(1,451)	1,877
Depreciation and amortisation	(611)	(639)	(257)	(23)	(1,530)
Interest expense	(2)	(31)	(11)	(181)	(225)
Interest income	40	4	-	20	64
Profit before tax	1,046	423	352	(1,635)	186
Tax expense	(72)	(4)	-	-	(76)
Profit for the period	974	419	352	(1,635)	110
Net profit margin	6.9%	2.6%	9.0%		0.3%
Assets and Liabilities					
Segment assets	30,175	30,220	5,658	3,239	69,292
Segment liabilities	4,255	4,797	2,056	6,993	18,101
Other Segment Information					
Expenditures for non-current assets **	116	125	117	-	358
Other non-cash items:					
Bad trade receivables recovered	(2)	-	-	-	(2)
Loss on disposal of property, plant and equipment	5	***	3	-	8
Impairment loss on trade receivables	5	12	-	-	17
Write back of allowance for inventory obsolescence	-	(50)	-	-	(50)
Net change in fair value of financial asset at FVTPL	-	-	-	(25)	(25)

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

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

*** Amount less than \$1,000.



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22 Operating segments (cont'd)

(b) Geographical segments

Geographical segments are analysed by four principal geographical areas, namely Singapore, other Asian countries, 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		Segment non-current assets		Segment assets	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	12,997	13,632	10,320	19,039	36,406	44,338
Other Asian countries	15,118	14,209	4,104	4,205	20,919	24,954
Europe	2,723	2,384	-	-	-	-
Others	4,313	4,120	-	-	-	-
Total	35,151	34,345	14,424	23,244	57,325	69,292

(c) Major customers

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

23 Fair value management

(i) Accounting classification and fair values

The carrying amounts of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Mandatorily at FVTPL	Amortised cost	Other financial liabilities	Total carrying amount
	\$	\$	\$	\$
Group				
30 Jun 2024				
Financial assets measured at fair value				
Financial assets at FVTPL	1,413,604	-	-	1,413,604
Financial assets not measured at fair value				
Trade and other receivables #	-	13,924,269	-	13,924,269
Cash and cash equivalents	-	14,318,550	-	14,318,550
	-	28,242,819	-	28,242,819

Excludes prepayments and advances to suppliers.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

23 Fair value management (cont'd)

(ii) Accounting classification and fair values (cont'd)

	Mandatorily at FVTPL \$	Amortised cost \$	Other financial liabilities \$	Total carrying amount \$
Group				
30 Jun 2024				
Financial liabilities not measured at fair value				
Lease liabilities	-	-	(2,436,114)	(2,436,114)
Bank term loans	-	-	(5,000,000)	(5,000,000)
Trade and other payables *	-	-	(5,361,690)	(5,361,690)
	-	-	(12,797,804)	(12,797,804)
31 Dec 2023				
Financial assets measured at fair value				
Financial assets at FVTPL	1,379,181	-	-	1,379,181
Financial assets not measured at fair value				
Trade and other receivables #	-	13,191,383	-	13,191,383
Cash and cash equivalents	-	15,546,221	-	15,546,221
	-	28,737,604	-	28,737,604
Financial liabilities not measured at fair value				
Lease liabilities	-	-	(2,949,545)	(2,949,545)
Bank term loans	-	-	(5,000,000)	(5,000,000)
Trade and other payables *	-	-	(5,572,129)	(5,572,129)
	-	-	(13,521,674)	(13,521,674)
Company				
30 Jun 2024				
Financial assets measured at fair value				
Financial assets at FVTPL	1,413,604	-	-	1,413,604
Financial assets not measured at fair value				
Trade and other receivables #	-	21,253,912	-	21,253,912
Cash and cash equivalents	-	7,729,497	-	7,729,497
	-	28,983,409	-	28,983,409
Financial liabilities not measured at fair value				
Lease liabilities	-	-	(280,439)	(280,439)
Bank term loans	-	-	(5,000,000)	(5,000,000)
Trade and other payables *	-	-	(5,362,750)	(5,362,750)
	-	-	(10,643,189)	(10,643,189)

Excludes prepayments and advances to suppliers.

* Excludes advance received from customers and accrued staff costs.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

23 Fair value management (cont'd)

(i) Accounting classification and fair values (cont'd)

	Mandatorily at FVTPL \$	Amortised cost \$	Other financial liabilities \$	Total carrying amount \$
Company				
31 Dec 2023				
Financial assets measured at fair value				
Financial assets at FVTPL	1,379,181	-	-	1,379,181
Financial assets not measured at fair value				
Trade and other receivables #	-	21,400,382	-	21,400,382
Cash and cash equivalents	-	8,168,917	-	8,168,917
	-	29,569,299	-	29,569,299
Financial liabilities not measured at fair value				
Lease liabilities	-	-	(342,602)	(342,602)
Bank term loans	-	-	(5,000,000)	(5,000,000)
Trade and other payables *	-	-	(5,618,439)	(5,618,439)
	-	-	(10,961,041)	(10,961,041)

Excludes prepayments and advances to suppliers.

* Excludes advance received from customers and accrued staff costs.

(ii) Measurement of fair values

The Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial assets at fair value through profit or loss ("FVTPL")

The fair value of the financial asset is its expected value based on the probability weighted average present value of expected future net cash flows, considering each of the possible future events and the terms under the various situations.

Interest-bearing bank loans

The carrying value of interest-bearing bank loans that reprice within six months of the reporting date is assumed to approximate their fair values.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, bills payable to banks and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.



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23 Fair value management (cont'd)

(ii) Measurement of fair values (cont'd)

Biological assets - breeder stocks

Breeder stocks are the juveniles and fingerlings of marble goby held to cultivate for trading purposes. These stocks are measured based on their fair value less estimated point-of-sale costs, with any change therein recognised in profit or loss. The fair value is determined based on the biomass volume, size distribution and the estimated market prices as at the reporting date. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

Fair value hierarchy

The table below analyses the fair value measurements for recurring financial assets and non-financial assets and the level in the fair value hierarchy based on the inputs used in the valuation techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Group				
30 Jun 2024				
Unsecured convertible loan	–	–	1,413,604	1,413,604
Biological assets - breeder stocks	–	–	31,839	31,839
	–	–	1,445,443	1,445,443
31 Dec 2023				
Unsecured convertible loan	–	–	1,379,181	1,379,181
Company				
30 Jun 2024				
Unsecured convertible loan	–	–	1,413,604	1,413,604
31 Dec 2023				
Unsecured convertible loan	–	–	1,379,181	1,379,181

The Group's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer occurred.

There were no transfers or reclassifications between various levels in the fair value hierarchy during the current financial period.



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SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

24 Commitments

There were the following commitments as at the reporting date:

- (i) In December 2021, the Company obtained approval from the relevant authorities for the increase in the registered capital of its wholly owned subsidiary, GZQH, by approximately USD1.0 million (equivalent to \$1.34 million). As at 30 June 2024, the Company has not made any capital contribution into this subsidiary.
- (ii) The Group has entered into a Sale and Purchase Agreement on 12 March 2024 with an independent and unrelated third party on the acquisition of a property in Malaysia at a purchase consideration of RM14.5 million (approximately \$4.1 million). As at 30 June 2024, the Group has paid RM2.9 million, representing 20% of the purchase consideration. The balance 80% of the purchase consideration, amounting to RM11.6 million, will be payable within 60 days after date of issuance of the Certificate of Completion and Compliance of the said property.

25 Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

OTHER INFORMATION

REVIEW

The statements of financial position as at 30 June 2024 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cash flows for the half year period then ended and the selected explanatory notes (the "Condensed Interim Financial Statements") have not been audited or reviewed by the Company's auditors.

REVIEW OF GROUP PERFORMANCE

Consolidated Statement of Profit or Loss

(a) **Revenue by business segment**

6 months ended 30 June 2024 vs 6 months ended 30 June 2023

	Group		Increase (Decrease)	%
	6 months ended 30 Jun 2024	2023		
	\$'000	\$'000	\$'000	
Fish	14,449	14,176	273	1.9
Accessories	16,734	16,266	468	2.9
Plastics	3,968	3,903	65	1.7
	35,151	34,345	806	2.3



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OTHER INFORMATION (cont'd)

REVIEW OF GROUP PERFORMANCE (cont'd)

Consolidated Statement of Profit or Loss (cont'd)

(a) **Revenue by business segment (cont'd)**

In the 1st half of 2024, our fish and accessories activities continued to be the core business segments, which together accounted for 88.7% of the total revenue. The overall revenue registered in the 1st half of 2024 of \$35.1 million was approximately \$0.8 million or 2.3% higher than \$34.3 million reported in the corresponding period in 2023. The improvements in revenue contribution from both the fish and accessories segments have resulted in an increase in the overall revenue.

On a geographical basis, revenue from Singapore dipped by approximately 4.7% while revenue from overseas grew by 7.0%, in the 1st half of 2024 as compared to its corresponding period in 2023.

Fish

Despite the on-going trade tensions and geopolitical landscape, our revenue contribution from our fish exports has since stabilised in the current financial period. Our aquaculture business, with a wider product range and offerings, saw an increase in customers' orders. This has also given rise to the improvement in revenue contribution from our fish segment in the current financial period, as compared to its corresponding period in 2023.

We will continue our efforts to increase our export of ornamental fish by diversifying to more customers and more countries around the world from our export hubs in Singapore, Malaysia, Thailand and Indonesia.

Accessories

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 and focus on selling more of our proprietary brand of innovative products. Our subsidiaries in Malaysia, China and Thailand have also managed to continue expanding their distribution network in their countries so as to capture more sales. Accordingly, our accessories business managed to register revenue contribution of \$16.7 million in the current quarter, which is approximately \$0.5 million or 2.9% higher than its corresponding period in 2023.

Plastics

Our plastics activities registered a flat growth in the current financial period as compared to its corresponding period in 2023. We managed to secure our customer base, focusing on generating revenue through selling products with sustainable margins, such as essential items used to enhance hygiene protocols for the healthcare and waste management sectors, as well as the hospitality segment.

- (b) **Other income** mainly consists of handling income derived from the handling of transshipments in relation to our aquaculture business. The decrease in handling income was in tandem with the decrease in transshipments activities during the current financial period.



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OTHER INFORMATION (cont'd)

REVIEW OF GROUP PERFORMANCE (cont'd)

Consolidated Statement of Profit or Loss (cont'd)

- (c) Despite the increase in revenue contribution, the **selling and distribution expenses** stood at approximately \$1.3 million in the 1st half of 2024, comparable to the corresponding period in 2023 as we managed to negotiate for better freight charges, coupled with attaining certain operational efficiencies during the current financial period.
- (d) Notwithstanding the broad-spectrum increase in operating costs as a result of elevated inflationary pressure, the overall **general and administrative expenses** remained relatively stable at approximately \$11.9 million in the 1st half of 2024 as compared to its corresponding period in 2023, as the increases were offset by lower utility costs and favourable exchange rates during the current financial period
- (e) The **impairment losses on trade receivables** were derived at by ascertaining the amount of expected credit losses that would result from all possible default events over the expected life of these receivables during both periods, which was in compliance with SFRS(I) 9 *Financial Instruments*.
- (f) The decrease in **net finance costs** by \$40K or 25.1% in the 1st half of 2024 as compared to the corresponding period in 2023 was mainly due to lower outstanding amounts, as the interest rates charged by the financial institutions stabilised during the current financial period.
- (g) The **tax expense** was mainly in relation to the operating profits registered by the profitable entities within the Group.

Despite the utilisation of tax credits, the effective tax rate registered in the 1st half of 2024 was higher than the amount obtained by applying the statutory tax rate of 17% on profit before tax mainly due to losses incurred by some entities which cannot be offset against profits earned by other companies within the Group and the varying statutory tax rates of the different countries in which the Group operates.

(h) **Profit before tax by business segment**

6 months ended 30 June 2024 vs 6 months ended 30 June 2023

	Group		Increase (Decrease)	
	6 months ended 30 Jun			
	2024	2023	\$'000	%
	\$'000	\$'000		
Fish	1,446	1,046	400	38.2
Accessories	150	423	(273)	(64.5)
Plastics	474	352	122	34.7
Unallocated corporate expenses	(1,680)	(1,635)	(45)	(2.8)
	<u>390</u>	<u>186</u>	<u>204</u>	<u>109.7</u>



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OTHER INFORMATION (cont'd)

REVIEW OF GROUP PERFORMANCE (cont'd)

(h) **Profit before tax by business segment (cont'd)**

The reduction in operating profit from our accessories activities was mitigated by the considerable growth in profit generated from our fish/aquaculture and plastics activities during the 1st half of 2024 as compared to its corresponding period in 2023.

Fish

The improvement in profitability from our fish business by \$0.4 million or 38.2% in the 1st half of 2024 as compared to its corresponding period in 2023 was in line with the improvement in revenue contribution, as well as the difference in sales mix recorded in both periods.

Accessories

Notwithstanding an increase in revenue contribution, the operating profit from our accessories business declined noticeably by approximately \$0.3 million or 64.5% in the 1st half of 2024 as compared to the corresponding period in 2023. This was mainly due to our continuous efforts made to capture more sales, which eroded the profit margins of our accessories business in the current financial period.

Plastics

With the higher revenue registered and better margin yielded in the 1st half of 2024, the profit generated from the plastic activities improved by approximately \$0.1 million or 34.7% as compared to its corresponding period in 2023.

Unallocated corporate expenses

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

Consolidated Statement of Financial Position

Total assets (Group) as at 30 June 2024 were \$57.3 million, decreased by approximately \$1.6 million from \$58.9 million as at 31 December 2023.

The reduction was mainly due to –

- decrease in property, plant and equipment by approximately \$0.9 million as a result of depreciation charge during the financial period, despite that there was capital expenditure incurred in relation to the purchase of equipment and ongoing enhancements made to the farm and other facilities in Singapore and overseas, as well as the recognition of additional right-of-use (ROU) assets in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 *Leases*.
- decrease in inventory by \$0.4 million as a result of the continuous review carried out to streamline our inventory management process so as to better and effectively manage our inventory holding.
- decrease in cash and cash equivalents of approximately \$1.2 million mainly utilised for purchases and settlement of trade liabilities and non-trade suppliers, as well as the payment of accrued bonus during the current financial period.



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OTHER INFORMATION (cont'd)

REVIEW OF GROUP PERFORMANCE (cont'd)

Consolidated Statement of Financial Position (cont'd)

The above decreases were partially offset by the increase in trade and other receivables amounting to approximately \$1.0 million due to higher sales registered in the month of June as compared to December when sales were generally affected by the year end festive holidays. Accordingly, trade receivables turnover days increased from 63 days as at 31 December 2023 to 64 days as at 30 June 2024. In addition, there was an increase in advance payment to suppliers for purchases made to be delivered in the coming quarter.

Total liabilities (Group) as at 30 June 2024 were \$15.8 million, decreased by approximately \$1.4 million from \$17.2 million as at 31 December 2023.

The reduction was mainly due to –

- decrease in loans and borrowings by approximately \$0.5 million mainly due to repayments made on lease liabilities on a monthly basis during the current financial period.
- decrease in trade payables upon settlement of trade liabilities and accrued operating expenses, as well as the reduction of accrued staff costs as a result of bonus payment made in January 2024, totalling approximately \$0.9 million.

Consolidated Statement of Cash Flows

The improvement in **net cash from operating activities** for the 1st half of 2024 as compared to its corresponding period in 2023 was mainly due to higher profit registered, coupled with the reduction in inventory held during the current financial period. This was, however, partially offset by the increase in trade receivables balance which was in line with the higher credit sales generated, as well as the prompt settlement of non-trade suppliers.

Net cash used in investing activities was mainly related to capital expenditure incurred for the purchase of equipment, as well as ongoing enhancements made to the farm and other facilities in Singapore and overseas.

Net cash used in financing activities was for the settlement of lease liabilities, as well as the servicing of interest payments on a monthly basis. In addition, there was payment of dividend made to the shareholders of the Company in April 2024.

VARIANCE FROM PROSPECT STATEMENT

There is no variance from the previous prospect statement, included in the full year results announcement for the year ended 31 December 2023, released via the SGXNET on 12 January 2024.



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OTHER INFORMATION (cont'd)

PROSPECTS

Qian Hu envisages that the operating business environment in the 2nd half of 2024 will remain challenging considering the volatility in the global macroeconomic and geopolitical environments. Notwithstanding, we believe that Qian Hu's business strategy – with an optimal product mix, its culture of innovation and robust distribution network – is well placed to drive our performance.

While persisting in seizing new growth opportunities, developing new capabilities and enhancing competitiveness, we are always mindful of our core strengths and long-term business sustainability. As part of our culture of resilience, we have also worked hard at strengthening our balance sheet and business fundamentals. Our priority is to generate healthy cash flows from everything that we do while focusing on managing risks. We remain on track to becoming a debt-free company with a higher dividend payout.

(More information on the Group's plans were announced in detail in our Full Year Results Announcement dated 12 January 2024)

Barring unforeseen circumstances, the Group expects to grow its revenue while achieving profitability in the 2nd half of 2024.

CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

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 half year ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

KENNY YAP KIM LEE
Executive Chairman

YAP KOK CHENG
Chief Executive Officer

BY ORDER OF THE BOARD

Kenny Yap Kim Lee
Executive Chairman
19 July 2024