

Qian Hu Corporation Limited

4Q and FY2016
Results Briefing

12 January 2017





Financial Highlights (4Q)

(S\$'000)	4Q2016	4Q2015	Change (%)
Revenue	22,112	19,335	14.4
Profit/(Loss) Before Tax	(128)	8	NM
EBITDA	439	570	(23.0)
Net Profit/(Loss)	36	(198)	118.2
Earnings/ (Loss) per share (fully diluted)	0.03 cents	(0.17) cents	



Financial Highlights (FY2016)

(S\$'000)	FY2016	FY2015	Change (%)
Revenue	80,470	77,970	3.2
Profit/(Loss) Before Tax	(10)	549	(101.8)
EBITDA	2,208	2,508	(12.0)
Net Profit	68	19	257.9
Earnings per share (fully diluted)	0.05 cents	0.02 cents	



Ornamental Fish

(S\$' 000)	4Q2016	4Q2015	Change (%)	3Q2016	Change (%)
Revenue	7,974	7,695	3.6	7,647	4.3
Operating Profit/(Loss)	(58)	76	(176.3)	164	(135.4)

- ✓ Gradual recovery from European markets
- ✓ Continual efforts to diversify Ornamental Fish exports to more customers and countries
- ✓ 4Q2016 operating loss due to different sales mix and escalation of operating costs





Accessories

(S\$' 000)	4Q2016	4Q2015	Change (%)	3Q2016	Change (%)
Revenue	11,215	8,831	27.0	9,184	22.1
PBT	175	143	22.4	274	(36.1)

- Increased exports through overseas distribution network and new, untapped markets
- Malaysia and Thailand managed to expand local distribution to capture more sales
- Initial contributions from newly-acquired Guangzhou subsidiary
- Increased sales of own brands sliced group profit margin





Plastics

(S\$' 000)	4Q2016	4Q2015	Change (%)	3Q2016	Change (%)
Revenue	2,923	2,809	4.1	2,816	3.8
PBT	199	183	8.7	239	(16.7)

- Plastics segment continued to generate stable revenue and profit





Balance Sheet Highlights

(S\$' 000)

	31 December 2016	31 December 2015
Total Assets	77,663	75,817
Total Liabilities	27,169	25,509
Total Shareholder's Equity	50,494	50,308

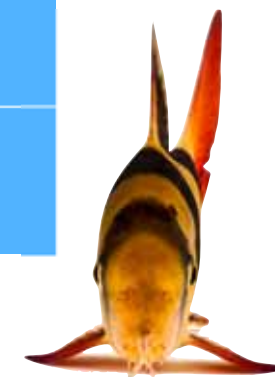




Cash Flow Statement

(S\$' 000)

	FY2016	FY2015
Cash from operating activities	3,076	1,538
Cash used in investing activities	(2,349)	(1,664)
Cash from/(used) in financing activities	210	(552)
Net increase/(decrease) in cash and equivalents	937	(678)
Cash and cash equivalent at end of year	8,723	7,772





Key Indicators

	31 December 2016	31 December 2015
Inventory Turnover	101 days	106 days
Trade Receivables Turnover*	115 days	120 days
Trade Receivables Turnover (without Guangzhou Qian Hu balances)	75 days	76 days
Debt Equity Ratio	0.54	0.51

* Trade receivables balance include the reclassification of trade balance with Guangzhou Qian Hu, a former subsidiary, upon its disposal



Roadmap to Growth



Genetic breeding of Albino Dragon Fish

- Growing demand for Albino Dragon Fish
- Will leverage on our genetic breeding expertise to breed more unique variants of Silver Arowana and other varieties
- These initiatives will gain pace in FY2017 and expect profitability to improve in subsequent years



Farming of antibiotic-free edible food in Hainan Province, China

- Using our cutting-edge HYDROPURE filtration technology, we are able to diversify into the farming of **antibiotic-free edible fish** eg groupers
- Set up 51% owned subsidiary – Qian Hu Aquaculture (Hainan) Co., Ltd
 - Land area: 0.4 hectares
 - Lease tenure: 16.5 years
- Hainan farm to supply edible fish to the China markets
- If executed correctly, the new aquaculture business is expected to be many times bigger than ornamental fish, and will start contributing in FY2018



Brand building: Ocean Free and OF brands

- Focus on building our “Ocean Free” and “OF” brands to lead the growth of the Accessories segment
- Target to expand to more than 60 countries
- These brands will continue to develop exciting pipeline of cutting-edge, innovative aquarium accessories and fish nutrition



Positioning : Innovation & Technology Company

- Qian Hu will be positioned as an innovation and technology company
- R&D remains a critical capability that sets Qian Hu apart from its competitors
- E-commerce platforms such as T-Mall 天猫 and www.qianhushop.com

天猫 TMALL.COM



To be the world's #1 ornamental fish exporter

- Moving ahead, Qian Hu is on track to becoming the world's number 1 ornamental fish exporter
- Currently exports to more than 80 cities and countries. The Group is working towards expanding to more than 100 countries
- Long-term goal is to increase global market share from the current 5% to 10%
- Focus on high-growth regions such as Middle East, Eastern Europe, China and India

Q&A

