Qian Hu Corporation Limited

2Q and 1H2019 Results Briefing

17 July 2019







Financial Highlights (2Q)

(S\$'000)	2Q2019	2Q2018	Change (%)
Revenue	19,215	21,949	(12.5)
Profit Before Tax	321	233	37.8
EBITDA	1,231	901	36.6
Net Profit	236	146	61.6
Earnings per share (fully diluted)	0.21 cent	0.13 cent	



Financial Highlights (1H2019)

(S\$'000)	1H2019	1H2018	Change (%)
Revenue	38,067	43,559	(12.6)
Profit Before Tax	389	397	(2.0)
EBITDA	2,254	1,699	32.7
Net Profit	273	181	50.8
Earnings per share (fully diluted)	0.24 cent	0.16 cent	



Fish

(S\$' 000)	2Q2019	2Q2018	Change (%)	1Q2019	Change (%)
Revenue	7,619	8,968	(15.0)	8,378	(9.1)
РВТ	588	378	55.6	237	148.1

- Segment performance hit by intense price competition in Dragon Fish
- This was mitigated by positive contributions from aquaculture business in Hainan
- Sales of higher-margin edible fish boosted Fish segment's profitability





Accessories

(S\$' 000)	2Q2019	2Q2018	Change (%)	1Q2019	Change (%)
Revenue	8,803	10,058	(12.5)	7,614	15.6
PBT	429	583	(26.4)	321	33.6

- Revenue dip in 2Q19 due to:
 - Streamlining of Accessories operations in China
 - Weakened global demand
- Focus on higher-margin proprietary brands drove quarter-on-quarter profit up 33.6%





Plastics

(S\$' 000)	2Q2019	2Q2018	Change (%)	1Q2019	Change (%)
Revenue	2,793	2,923	(4.4)	2,860	(2.3)
PBT	254	162	56.8	219	16.0

- Sales decreased in 2Q19 due to softer domestic demand
- Operating profit however jumped 56.8% due to improved margins and a different sales mix.





Balance Sheet Highlights

(S\$'000)	30 June 2019	31 December 2018
Total Assets	80,754	79,807
Total Liabilities	29,636	28,999
Total Equity	51,118	50,808





Cash Flow Statement

1H2019	1H2018
4,142	(2,525)
(561)	(593)
(1,373)	1,531
2,208	(1,587)
13,726	9,565
	4,142 (561) (1,373) 2,208



Key Indicators

	30 June 2019	31 December 2018
Inventory Turnover	106 days	97 days
Trade Receivables Turnover*	114 days	103 days
Trade Receivables Turnover (without Guangzhou Qian Hu balances)	72 days	67 days
Debt Equity Ratio	0.58	0.57

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



Business Updates







Aquaculture Business in Hainan

 Sales of edible fingerlings and export of edible fish boosted Fish segment's performance in 2Q19

- Expect further growth ahead
- Plans to develop a fully-integrated aquaculture farm to capture entire value chain





Genetic Breeding: Albino Arowana & Other Ornamental Fish

- Market trends favour albino variants of Asian Arowana as well as other ornamental fish
- Develop a whole new range of ornamental fish that are albino





Becoming #1 Ornamental Fish exporter in the world

- Indonesia is on a good growth momentum
- New farm in Thailand, set up 3 years ago, backward integrates and adds value to the Group's export business

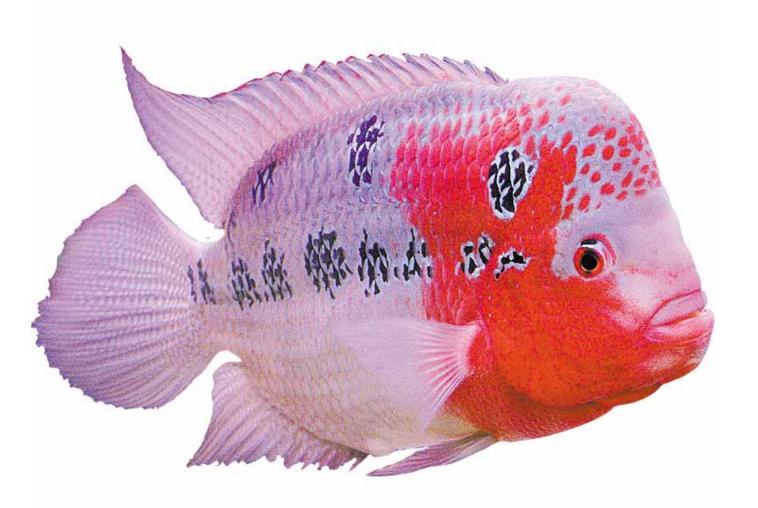




Accessories



- Global demand challenges affected sales in 2Q19
- We will continue to focus on selling higher-margin proprietary products
- Profit improved 33.6% from 1Q19 to 2Q19
- Develop pipeline of innovative products using HYDROPURE technology



Q&A

