

# 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)
PBT	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 (%)
<b>Revenue</b>	8,803	10,058	(12.5)	7,614	15.6
<b>PBT</b>	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

(S\$' 000)

	1H2019	1H2018
Cash from/(used in) operating activities	4,142	(2,525)
Cash used in investing activities	(561)	(593)
Cash (used in)/ from financing activities	(1,373)	1,531
Net increase/(decrease) in cash and equivalents	2,208	(1,587)
Cash and cash equivalent at end of period	13,726	9,565







# 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**

