

# Qian Hu Corporation Limited

4Q and FY2018  
Results Briefing

11 January 2019





## Financial Highlights (4Q)

| (S\$'000)                             | 4Q2018     | 4Q2017     | Change (%) |
|---------------------------------------|------------|------------|------------|
| Revenue                               | 20,673     | 22,042     | (6.2)      |
| Profit Before Tax                     | 52         | 192        | (72.9)     |
| EBITDA                                | 741        | 779        | (4.9)      |
| Net Profit                            | 46         | 126        | (63.5)     |
| Earnings per share<br>(fully diluted) | 0.04 cents | 0.11 cents |            |



## Financial Highlights (FY2018)

| (S\$'000)                          | FY2018     | FY2017     | Change (%) |
|------------------------------------|------------|------------|------------|
| Revenue                            | 85,667     | 87,824     | (2.5)      |
| Profit Before Tax                  | 775        | 761        | 1.8        |
| EBITDA                             | 3,447      | 3,046      | 13.2       |
| Net Profit                         | 402        | 329        | 22.2       |
| Earnings per share (fully diluted) | 0.35 cents | 0.29 cents |            |



# Fish

| (S\$' 000)              | 4Q2018 | 4Q2017 | Change (%) | 3Q2018 | Change (%) |
|-------------------------|--------|--------|------------|--------|------------|
| Revenue                 | 7,557  | 8,709  | (13.2)     | 8,621  | (12.3)     |
| Operating Profit/(Loss) | 70     | 243    | (71.2)     | 480    | (85.4)     |

- Intense price competition in Dragon Fish segment largely due to the Silver Albino variety
- Positive contributions from new aquaculture business in Hainan
- Improved export performance in our hubs in Singapore, Malaysia, Thailand and Indonesia





## Accessories

| (S\$' 000) | 4Q2018 | 4Q2017 | Change (%) | 3Q2018 | Change (%) |
|------------|--------|--------|------------|--------|------------|
| Revenue    | 9,801  | 10,458 | (6.3)      | 9,710  | 0.9        |
| PBT        | 447    | 411    | 8.8        | 429    | 4.2        |

- Segment continued to be more export-oriented, tapped new markets with growth potential
- Revenue dipped 6.3% due to disposal of Shanghai subsidiary as a result of streamlining of Accessories operations in China
- Operating profit grew 8.8% due to sales of higher-margin proprietary brands





## Plastics

| (S\$' 000) | 4Q2018 | 4Q2017 | Change (%) | 3Q2018 | Change (%) |
|------------|--------|--------|------------|--------|------------|
| Revenue    | 3,315  | 2,875  | 15.3       | 3,104  | 6.8        |
| PBT        | 236    | 246    | (4.1)      | 186    | 26.9       |

- Larger customer base and more varieties of products boosted sales in the 4<sup>th</sup> quarter
- Higher operating costs shaved margins





## Balance Sheet Highlights

(S\$' 000)

|                                   | 31 December 2018 | 31 December 2017 |
|-----------------------------------|------------------|------------------|
| <b>Total Assets</b>               | 79,807           | 81,634           |
| <b>Total Liabilities</b>          | 28,999           | 29,999           |
| <b>Total Shareholder's Equity</b> | 50,808           | 51,635           |

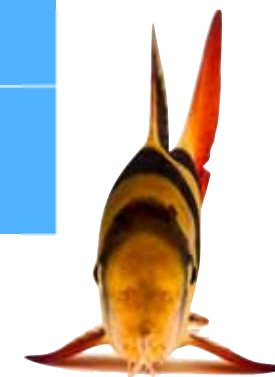




# Cash Flow Statement

(S\$' 000)

|   | FY2018 | FY2017  |
|---|--------|---------|
| Cash from operating activities          | 514    | 6,725   |
| Cash used in investing activities       | (883)  | (4,635) |
| Cash from financing activities          | 722    | 304     |
| Net increase in cash and equivalents    | 353    | 2,394   |
| Cash and cash equivalent at end of year | 11,491 | 11,124  |







## Key Indicators

|   | 31 December 2018 | 31 December 2017 |
|---|------------------|------------------|
| Inventory Turnover  | 97 days          | 92 days          |
| Trade Receivables Turnover*                                     | 103 days         | 103 days         |
| Trade Receivables Turnover (without Guangzhou Qian Hu balances) | 67 days          | 68 days          |
| Debt Equity Ratio   | 0.57             | 0.58             |

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



---

# Business Updates





# Building brands and technology



- Focus on building the “Ocean Free” and “OF” brands – the growth drivers of the Accessories business
- Expand to more than 60 cities and countries
- Develop exciting pipeline of innovative products using HYDROPURE technology as well as high quality fish nutritional formulas
- We aspire to be the industry’s most value-adding and productive provider of edible fish, ornamental fish and accessories



## Genetic Breeding: Albino Arowana & Other Ornamental Fish

- Market trends favour albino variants of Asian Arowana as well as other ornamental fish
- Moving ahead in FY2019, we will focus on breeding rarer species of Dragon 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 2-3 years ago, expects to start creating value for the Group
- On track to becoming world's #1 ornamental fish exporter





# Aquaculture Business in Hainan

- Encouraging contributions in FY2018:
  - Revenue \$988,000 (2.9% of total Fish sales)
  - PBT \$123,000 (9.3% of total in Fish PBT)
- Plans to develop a fully-integrated aquaculture farm to capture entire value chain
- Green-label seafood products for regional and international markets
- Potential to be many times bigger than the Group's ornamental fish business, if executed correctly





**Q&A**

