

Qian Hu Corporation Limited

2Q and 1H2017
Results Briefing

18 July 2017





Financial Highlights (2Q)

(S\$'000)	2Q2017	2Q2016	Change (%)
Revenue	21,725	19,100	13.7
Profit Before Tax	63	23	173.9
EBITDA	630	567	11.1
Net Profit	25	15	66.7
Earnings per share (fully diluted)	0.02 cents	0.01 cents	



Financial Highlights (1H)

(S\$'000)	1H2017	1H2016	Change (%)
Revenue	43,300	38,711	11.9
Profit Before Tax	238	25	852.0
EBITDA	1,346	1,099	22.5
Net Profit	61	27	125.9
Earnings per share (fully diluted)	0.05 cents	0.02 cents	



Ornamental Fish

(S\$' 000)	2Q2017	2Q2016	Change (%)
Revenue	8,216	7,649	7.4
Operating Profit	23	173	(86.7)

- ✓ Dragon Fish sales grew with in tandem with other ornamental fish sales across the Group
- ✓ However, profitability would have been higher if not for initial start-up costs of new aquaculture business in Hainan





Accessories

(S\$' 000)	2Q2017	2Q2016	Change (%)
Revenue	10,568	8,749	20.8
PBT	432	223	93.7

- Strong performance due to:
 - Continued contributions from newly-acquired Guangzhou subsidiary
 - Increased exports & new markets
 - Malaysia, China and Thailand managed to expand domestic distribution
- Higher margins of proprietary products led to stronger profitability





Plastics

(S\$' 000)	2Q2017	2Q2016	Change (%)
Revenue	2,941	2,702	8.8
PBT	222	190	16.8

- Continued strong performance from expanded customer base and different product mix





Balance Sheet Highlights

(S\$' 000)

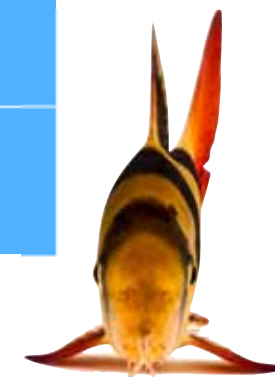
	30 June 2017	31 December 2016
Total Assets	77,478	77,663
Total Liabilities	26,932	27,169
Total Shareholder's Equity	50,546	50,494





Cash Flow Statement

(S\$' 000)	1H2017	1H2016
Cash from operating activities	1,208	660
Cash used in investing activities	(1,311)	(934)
Cash used in financing activities	(416)	(522)
Net (decrease) in cash and equivalents	(519)	(796)
Cash and cash equivalent at end of period	8,177	6,919





Key Indicators

	30 June 2017	31 December 2016
Inventory Turnover	92 days	101 days
Trade Receivables Turnover*	101 days	115 days
Trade Receivables Turnover (without Guangzhou Qian Hu balances)	68 days	75 days
Debt Equity Ratio	0.53	0.54

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



Business Updates





Edible Fish Aquaculture in Hainan

- Official opening of Qian Hu Aquaculture (Hainan) – 8 June 2017
- Operations began in May 2017
- Expect this business to start contributing positively to the Group in FY2018





Genetic breeding of Albino Dragon Fish

- Genetic breeding of Albino Dragon Fish progressing well
- To meet growing market demand for more unique variants of Silver Arowana and other varieties
- Expect profitability to improve in subsequent years





Brand building: Ocean Free and OF brands

- Completed the branding exercise for “Ocean Free” and “OF” brands to lead the growth of the Accessories segment
- Continue to develop cutting-edge Accessories products based on Hydro-Pure technology



OF Hydra Nano Plus



OF Hydra Stream



OF Hydra Koi Pond Purification System



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
- Our goal is to increase global market share from the current 6-7% to 10%
- Focus on high-growth regions such as Middle East, Eastern Europe, China and India

Q&A

