

Qian Hu Corporation

Reuters: QIAN.SI
Bloomberg: QIAN SP

Sector: Commerce

Rating:

Price S\$0.635

Resuming Coverage

Market Perform

Y/E 31-Dec	2002A	2003A	2004F	2005F
Net Profit (\$m)	6.5	7.0	8.5	10.0
EPS (cents)	5.2	5.5	6.7	7.7
EPS Growth (%)	-	+7	+21	+15
Consensus EPS	-	-	6.7	7.7
PER (x) @ S\$0.635	12.2	11.5	9.5	8.3
NTA (\$)	0.27	0.34	0.40	0.47

Performance (%)	1mth	3mth	12mth	Market Capitalisation :	S\$	81m
Absolute	-4	-2	+10	Issued Shares :		128m
Relative against STI	-6	+0.3	-41	Daily Vol Ave 30d ('000) :		120

Moving to a Bigger Pond

- In expansion phase; targeting South East Asia and China
- Also expanding into retail
- Financially strong; in net cash position
- But retail expansion poses both opportunities and risk
- PE now at nearly 10x FY04 earnings, almost at fair value

Ornamental fish and accessories trading group, Qian Hu occupies a unique position in an industry which has proved resilient even during the 2003 economic downturn brought about by the SARS epidemic and the Gulf War. Qian Hu holds an estimated 5% stake in the ornamental fish market in Singapore. Based on our FY04 and FY05 earnings forecast, Qian Hu is estimated to post double-digit earnings growth averaging 15% over the next three years. The growth will come from expansion of its existing ornamental fish and accessories trading operations where it has set up a network covering Singapore, China, Thailand, Malaysia and Indonesia. Strategic acquisitions, such as the purchase of Kim Kang Sdn Bhd, the third largest dragon fish breeder in Malaysia, will

also spur growth. Perhaps the most significant corporate development however, is the group's plan to expand aggressively into the retail arena, with an ambitious target of setting up 100 stores over a period of five years. The risks to this venture are high, but should management succeed, returns could be extremely attractive. Qian Hu is trading at FY04 and FY05 PERs of 9.8x and 8.7x respectively, which compares with its historical PE band of between 8x and 14x. Our fair value estimate for the stock is S\$0.65, based on an FY04 PE of 9.5x, in line with the industry average, and at the mid-range of its PE band. The company is financially robust, with a net cash position as at end-FY03. While management has indicated that the group could look to increase capital expenditure with its expansion into the retail business, we believe borrowings will still remain manageable with net debt to equity at about 5%. Given its healthy cash flow, the group could easily fund its expansion plans through internal resources. Return on equity has been consistently high with ROE at 19% in FY03 and forecast to remain firm at 19% in FY04. We are resuming coverage of Qian Hu with a MARKET PERFORM recommendation.

RECENT PERFORMANCE

FY03 net profits rise 7.2% on business resiliency.

Qian Hu reported a 7.2% YoY increase in FY03 net profit to S\$7m with sales growing at 8% to S\$67.7m. The group's ornamental fish business proved relatively resilient despite the impact of the SARS epidemic and the weak economy in 1H2003. The group's ornamental fish and accessories division continued to account for the bulk of group earnings. Group sales for the fish division grew 14.3% YoY to S\$27.5m, while revenue from the sale of accessories rose 5.4% to S\$33.6m. The fish division accounted for 41% of total sales, while the accessories made up 50% of sales.

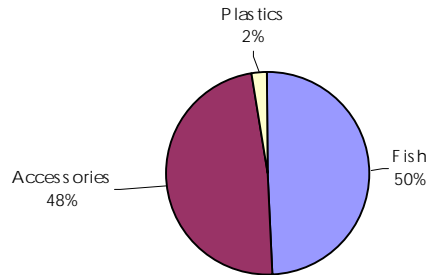
Singapore accounts for 43% of sales. On a country basis, Singapore continued to account for the largest share of sales, 43% of S\$67.7m, although this was down from the 55% of total sales in FY02. Overall, sales from Singapore fell 11.7% due to a fall in sales of aquarium accessories to local retailers during the SARS period, as well as keen competition from other distributors.

Other Asia accounts for 42% of sales. Sales from other Asian countries grew 28% to S\$28.2m, accounting for 42% of total sales in FY03, against the 35% in FY02. Meanwhile, sales to Europe rose 71% YoY to S\$7.9m and accounted for 12% of group sales last year.

Ornamental fish division sees higher sales and profitability. Pretax margins for the fish division

FY03 PBT breakdown by divisions

Total: S\$10.83m (excludes unallocated corp expenses)



improved by 9% points YoY to 19%, with PBT rising 217% YoY, that is, more than doubling, to S\$5.33m for FY03. The improved margins came from the sale of Qian Hu's own homebred Dragon fish, which accounted for a significant share of the improved profitability.

However, margins for the accessories division dropped 6% points YoY to 16%, with PBT down 27% YoY to S\$5.24m. A reduction in domestic sales in this division led to the lower profitability.

Decline in Accessories division margins in 4Q03/ FY03 an area of concern.

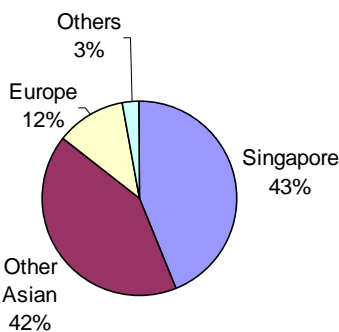
In 4Q03, the group's fish division saw sales rise 19% YoY to S\$6.79m but this was pulled down by a 17% fall in the sales at the accessories division and a 6.3% fall in the plastics division. Pretax profits in 4Q03, while up 15% to S\$2.86m, could have been better if not for a 46% YoY decline in the accessories division to S\$1.2m, due to lower sales as well as increased competition.

The decline in Accessories' margins and sales is an area of concern, particularly the sharp drop in margins, given that sales of accessories had once been identified as one of the biggest growth divisions for the group. According to industry pundits, the sale of accessories is usually more than five times that of the sale of fish.

We would keep a watch on the group's 1Q/2QFY04 earnings to access the performance of the accessories

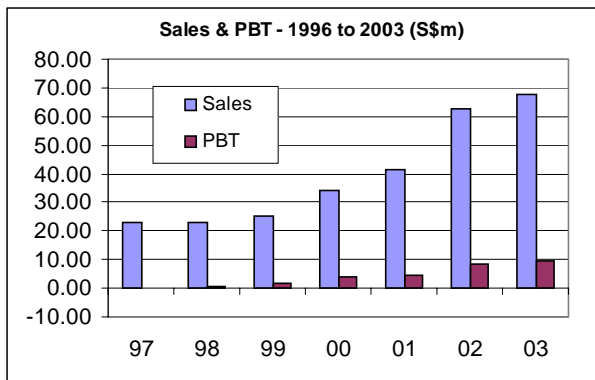
FY03: Sales breakdown by country

Total: S\$67.7m



division; whether margin attrition seen in the past four quarters is cyclical or structural. We would also look for indications if margins here will continue to be pressured going forward.

Earnings from the group's plastics division, while small, also registered a 61% decline to just S\$31,000 in 4Q03, due to increase in raw material prices in the quarter as well as difficult market conditions.



MARKET PROSPECTS

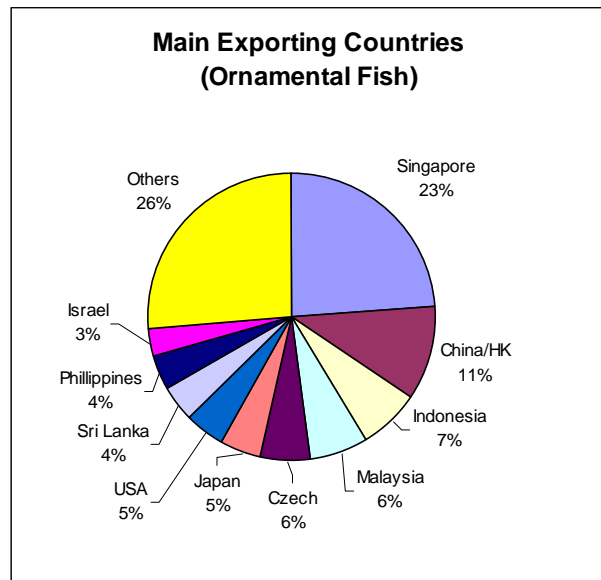
Market potential for ornamental fish. Qian Hu has established a network of five countries in Asia from which the group will target both domestic and international export markets. The group has invested in commercial operations and distributorships in Singapore, Malaysia, Thailand and China, as well as newly-setup centres in Jakarta, Indonesia.

Management has an ambitious target to garner 60% to 70% share of the world's ornamental fish market. While figures for the size of that market vary widely, depending on differences in classification, the UN's Food and Agriculture Association (FAO) has estimated in a recent survey that worldwide annual sales of ornamental fish alone is close to US\$250m.

However, the total wholesale value of ornamental fish and accessories is estimated at a much higher US\$1bn and retail trade at US\$3bn. The most significant estimate is that from the World Trade Organisation which estimates that the global trade in ornamental fish (likely to include accessories) is worth more than US\$4.5 billion with an annual growth rate of 8%. Of this, Asian countries account for a significant 68% share.

The main importers of ornamental fish are the United States (25%), Japan (18%) and Europe, particularly Germany (9%), France (8%) and the United Kingdom (7%). In international trade, in value terms, freshwater species represent about 90%, against 10% for marine species.

Asia contributes more than 50% of the world supply of ornamental fish. Singapore is a major world player in ornamental fish exports, accounting for about 20-25% of market share. This is followed by the United States of America, Thailand, Malaysia, the Czech Republic, Indonesia, Sri Lanka, Japan, the Philippines and Israel.



Singapore an industry centre. Singapore is not only the top exporting country, it is also one of the world's largest producers of farm bred ornamental fish. About 110m pieces of ornamental fish were produced in Singapore in the same year, of which 44% were exported. According to the Agri-Food and Veterinary Authority of Singapore (AVA), the production value is estimated at S\$30m each year. There are some 64 ornamental fish farms in Singapore, occupying a total of 133 hectares, and 94 ornamental fish exporters located at Jalan Kayu Export Centre and Agrotechnology Parks at Lim Chu Kang, Sungei Tengah and Loyang.

According to the AVA, Singapore exported a total of 235m or S\$75 million worth of ornamental fish to 72 countries around the world in 2003. In 2002, Singapore exported more than 230m ornamental fish to over 70 countries. The main markets are USA, European Union and Japan. Singapore has been tagged by some as the “Ornamental Fish Capital of the World” and as a “One-Stop Shop” for global ornamental fish business.

Exporters like Qian Hu deal with some 500 varieties and species of ornamental fish, buying from the local farms, which account for about 40% of sales, as well as from farms in the region for re-export. There are currently 60 ornamental fish farms occupying 127.4 ha in the Agrotechnology Parks producing mainly guppy and other Poeciliids, discus, goldfish, Tetra, and Dragon Fish.

China market potential. Not surprisingly, a market that most ornamental fish exporters are targeting for growth is China, with its robust GDP growth and 1.3bn population. More than 10% of Chinese households now keep ornamental fish, and the number is growing. The ornamental aquatic industry is based in the major cities of Beijing, Shanghai and Guangzhou. In Shanghai, one of the major hubs, there are over 500 ornamental fish farms supplying 1,600 wholesalers and retailers, and more than 2,000 distributors of aquarium accessories, medicine and feed. China is said to be the world's largest exporter of ornamental aquatic products in 2002 with export value of US\$4.69 billion. The country also exports a growing volume of ornamental fish while importing many species as well.

GROWTH DRIVERS

ORNAMENTAL FISH

Maintaining the lead. In Singapore, Qian Hu has established a position as the leading ornamental fish breeder, supplier and exporter with an estimated 5% share of the US\$250m market in ornamental fish sales. Dragon fish, being a protected species, can only be traded by permit. Each could fetch up to \$50,000 on the retail market. Dragon fish typically have a life span of up to 100 years. Qian Hu is one of just six farms in Singapore that are permitted, under CITES (Convention on International Trade in Endangered species of Wild

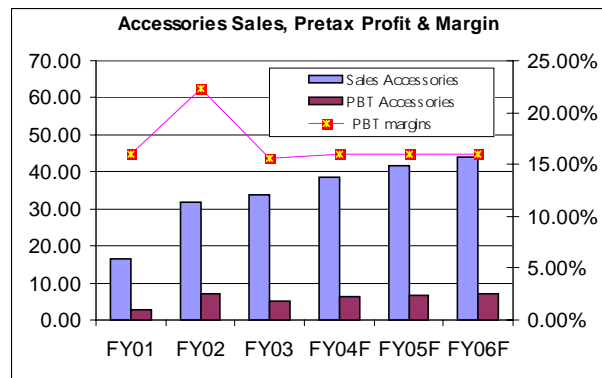
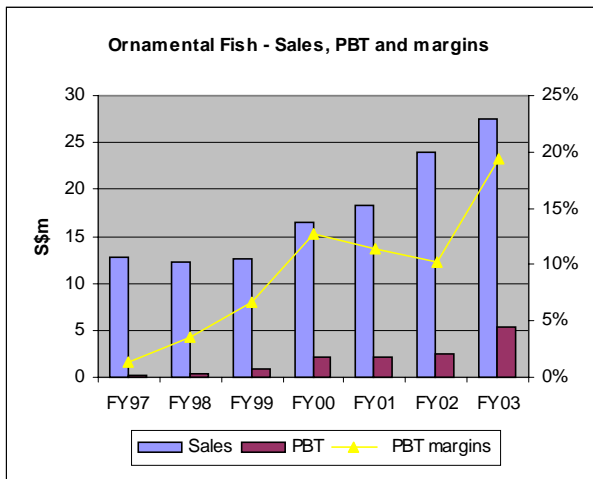
Fauna and Flora), to breed and trade dragon fish in captivity. In Singapore, only shops licensed by the AVA are allowed to display and sell Dragon Fish. Each fish is tagged and certified by the AVA, with commercial export only permitted by farms registered by the AVA. As barriers to entry are relatively high, the group's focus has been to breed dragon fish across a wider variety.

The concentration on the high value species has helped improve profit margins at the group's ornamental fish division. As the dragon fish (or arrowana) is valued for its longevity and is believed to bring good luck and prosperity, it has become a highly popular if expensive house pet in a large number of Asian homes. In FY03, the dragon fish accounted for S\$4m of the group's ornamental fish sales and S\$1.4m of group pretax profits.

To raise production of the Dragon Fish in its farms, Qian Hu has teamed up with Temasek Life Sciences Laboratory to research the breeding patterns of Dragon Fish. This will enhance the Group's ability to ride the growth in demand for Dragon Fish and improve profitability for Dragon Fish.

Acquisitions to help fuel growth. Qian Hu's acquisition of 65% of Kim Kang Aquaculture Sdn Bhd, the third largest breeder of Dragon Fish in Malaysia, has increased its dragon fish breeding capacity over fivefold from 350 of its own brooder stock in its Singapore fish farms to Kim Kang's 1,800 brooder stock in Malaysia. This will help cater to increased demand for the fish, which the group anticipates would come from growing markets in Taiwan and China.

Kim Kang's operations are located in two tracts of farmland with an area approximating 23 hectares in Batu Pahat, Malaysia. Besides dragon fish, Kim Kang also breeds other species of ornamental fish including the Luohan and the Pink Lady for over 10 years. Kim Kang's original shareholders will continue to hold 35% of the company, while its founder Goh Siak Ngan remains managing director of the Malaysian business. According to Qian Hu management, the two parties had formed a strong business relationship over the past 10 years, and the consolidation of the two businesses will help the group cater to the growing market for dragon fish.



ACCESSORIES

Brand-building for Ocean Free. Qian Hu has built up its brand of aquarium accessories since 1995, after five years in the distribution of aquariums. Qian Hu’s housebrand Ocean Free has gained a good degree of popularity in both China and Singapore. Most of the design and manufacturing of the products are outsourced to sub-contractors. Products include ornamental fish food, medication and other fish health products. Qian Hu distributes its aquarium accessories products to more than 200 retailers in Singapore, including supermarkets like NTUC Fair Price, Cold Storage and Giant.

As part of the expansion of the group’s manufacturing capabilities for aquarium and pet accessories, the group formed a Guangzhou-based joint venture company with a Taiwanese partner in 2001 to produce its own house brand and third party brands of accessories. The joint venture, called Wan Jiang Technology, supplies accessories to the groups’ regional operations.

The group’s Guangzhou manufacturing base, which recently more than doubled its production capability after moving into a bigger factory, is targeting to be among the top 3 aquarium accessories manufacturers in China by 2008.

In terms of sales, Accessories was the fastest growing division for the group in FY02, when revenue doubled from S\$16.7m in FY02 to S\$31.9m in FY02. However, in FY03, growth slowed to 5.6%, with sales reaching S\$33.7m.

RETAIL

Taking the mega petstore retail chain concept to Asia. Qian Hu management has identified the retail petshop chainstore concept as the key to the group’s sales and profitability growth over the next three to five years. Qian Hu – The Pet Family outlets will be set up in Jakarta, Bangkok, Shanghai, Tianjin, Beijing, Penang and Johor Bahru. In the group’s latest annual report 2003, the group has stated plans to expand to more than 100 stores within the next five years.

Faced with narrowing margins in its accessories business and an eventual diminished role for the middleman, the group plans to forward integrate its wholesale and distribution business to capture a larger share of margins and sales volume with its retail shops. Each store is expected to be 500 sq metres (5,382 sq ft) in size and will sell live ornamental fish and other small pets, and a wide range of pet accessories from aquariums, fish food & medicines to other pet accessories.

Qian Hu’s move into retail will also allow the group to diversify its business, which would allow less dependence on fish livestock, as the ornamental fish accessories market is five times larger than the livestock market.

Ambitious plans to set up 100 stores in 10 years. Qian Hu’s target of over 100 stores dictates a pace of expansion of 20 stores per year or about 3 per location (based on the 7 locations stated above) per year. The group intends to spend S\$200,000 per outlet (S\$37psf), excluding stocks, or about S\$4m this year, if 20 stores are set up. The group has ostensibly left out Singapore from the list and plans to set up initially in

Shanghai, a much larger market offering more significant growth.

Management has targeted a six-month period for each store to breakeven, but has cautioned meanwhile that the group will incur higher operational expenses, “which would cause fluctuations in the group’s operating profit from quarter to quarter”.

While petshop retail chains of the magnitude that Qian Hu’s management talks about are not common in Asia, they are however, a popular concept in the USA. Two examples are PETCO Animal Supplies Inc (Nasdaq: PETC) and PetsMART Inc (Nasdaq: PETM), both of which are listed on the NASDAQ. PETCO Inc has more than 650 stores throughout the USA while PetsMART runs 643 stores in the United States and Canada.

PETCO reported sales of US\$1.6bn for the year ended 01FY04, up 12% YOY while net profits doubled to US\$64.7m. Gross profit margins were admirable at 33%, up from 31% previously. PetsMART saw sales rising 11% to US\$3bn for the year ended 02FY04, with net income rising 57% to US\$139m. PetsMART also enjoyed gross profit margins of 30.3%, up from 29% previously and PBT margins of 7.6%. Both companies focus on a wide range of pet products and also provide pet grooming and pet hostel services. Unlike Qian Hu whose focus thus far has been on fish and small reptiles, these pet shops focus on providing services for a wide range of live animals, including dogs, cats, fish, reptiles, birds and other small animals.

Riding on NextMart’s expansion in China. Qian Hu has opened its first store in Shanghai, within a NextMart hypermarket. NextMart is being run by a JV company called NextMall, with Singapore’s NTUC Fairprice (27% stake), DBS Group (27%), China’s New Hope Group, real estate developer and mall operator Silver Tie and Taiwan’s Apex Group (runs Save & Safe hypermarket chain) as shareholders.

NextMall’s goal is to set up seven Nextmart hypermarkets in China by the end of this year, with the first store in Shaoxing, a city of about 4 million in Zhejiang province. The other six will open in Zhejiang, Shanghai and Nanjing. Nextmall’s initial investment

for the first two years will be about \$26.6 million (S\$47 million).

Qian Hu’s initial plan is to operate adjoining facilities to the Nextmart hypermarket as a type of petshop concessionaire. The stores will carry most of Qian Hu’s inhouse brands and accessories, as well as live fish supplied by the company.

RISKS

Diseases and infection outbreaks. Like other types of livestock, ornamental fishes are susceptible to diseases and infection. To counter this risk, the group has adopted a comprehensive health care management and quarantine system for its Singapore and overseas operations. The group’s Singapore and overseas operations are ISO 9002 certified. Group management has stated that it will ensure these standards are also met at the recently acquired Kim Kang operations in Malaysia. Management counters that the dragon fish is extremely hardy with a robust physiological structure and is thus less susceptible to diseases than other breeds.

Moving into the retail market. The group has run small retail operations at its fish farm in Singapore, where the farm is a tourist attraction and draws hundreds of visitors each weekend. However, management has had little other experience in the retail business, where inventory and cost management may vary considerably from its wholesale, distribution and export business.

While our view is that the group could reap tremendous sales and profits if its retail operations take off and gain significant market share at its selected locations, the risks are also high as start-up losses could be substantial, given the pace of expansion being planned. However, as the group already supplies the fish and accessories in its distribution business, we believe the main costs risks are rent and manpower.

The other risk of the retail venture is that the group may alienate its own retail customers as Qian Hu moves into their market segment. This is perhaps one reason for the group’s decision not to start up retail operations in Singapore, given the small size of the

market and the presence of its already highly popular fish farm shopping experience. Singapore, while perhaps the group's smallest market in terms of population, accounted for 43% of group sales last year, against other Asian market's 42% and Europe's 12%.

VALUATION

Trading at middle of historical PE band of between 8x and 14x. Qian Hu is trading at FY04 and FY05 PERs of 9.8x and 8.7x respectively, which compares with its historical PE band of between 8x and 14x. Earnings growth has been volatile although earnings quality remains high with EBIT margins improving to 14% in FY03, from 11% in FY01. This has been largely due to the stronger margins seen at the ornamental fish division as accessories' margins have been under pressure.

Net cash position, ROE remains creditable. The company remains financially robust, with a net cash position as at FY03. While management has indicated that the group could increase capital expenditure with its expansion into the retail business, we believe borrowings will still remain manageable with net debt to equity at about 5%. Given its healthy cash flow, the group could easily fund its expansion plans through internal resources. Returns on equity have been consistently high with ROE at 19% in FY03 and forecast to remain firm at 19% in FY04.

Risks to earnings from retail expansion to affect valuations. While there are few directly comparable listed companies in Singapore, Qian Hu can be compared with its Malaysian counterpart Xian Leng Sdn Bhd, which is the largest breeder and trader in Asian arrowanas and ornamental fish accessories in Malaysia. In our comparisons table, while Qian Hu is significantly larger than Xian Leng where FY03 sales and earnings are concerned, margins are lower than Xian Leng. However, return on equity of 19% is higher than that of Xian Leng's 15%. On a PE basis, Xian Leng trades at a slightly lower PE of 9.1x against Qian Hu's 9.9x. Taking an average of the two companies, we arrive at a forward PE of 9.5x, which would value Qian Hu at S\$0.65, which we believe is fair, given the risks to earnings from its recent expansion into the retail sector. We would rate Qian Hu **MARKET PERFORM** at current levels.

We have also provided in our comparisons table the valuations of the two listed pet retail stores in the U.S., which we had mentioned earlier in our report (see section on Prospects: Retail). The U.S. pet stores trade at significantly higher PE ratios compared with both the Asian companies, and give an indication of what retail pet stores trade at on the international stage. However, these ratings will not yet be applicable to Qian Hu, whose retail operations have just started and where operational risks remain high. However, if the venture should succeed, we would expect a re-rating of the stock accordingly. Given the infancy of its retail businesses, this is unlikely to take place in the current year.

BACKGROUND

History/Operations. Qian Hu was incorporated on 12 December 1998 in Singapore under the name of Qian Hu Fish Farm Pte Ltd. On 13 October 2000, it was converted into a public company and assumed its present name of Qian Hu Corporation Limited. The company imports and exports ornamental fish in Singapore and countries in Asia, the USA and Europe. Qian Hu is also engaged in farming and the distribution of ornamental fish, as well as the distribution of aquarium and pet accessories. The group started the breeding of Dragon Fish for commercial sale in the second half of 2000. Qian Hu claims to provide a "one-stop" shop for local and international customers, with products ranging from ornamental fish to a wide range of aquarium and pet accessories. Qian Hu's management strategy is to position the group as an integrated ornamental fish service provider, with a one-stop service for domestic and international wholesalers, retailers and consumers. The company sees itself not just as a breeder, distributor or manufacturer, but all of the above.

The group exports directly to more than 45 countries, and its primary markets are Singapore, South East Asia, North Asia and Europe. It is one of the largest exporters of ornamental fish in Singapore.

The Group's facilities in Singapore are located within the Sungei Tengah Agrotechnology Park in Choa Chu Kang. To date, more than \$6 million has been invested to develop the fish farm. Some of the facilities include a temperature-controlled packing house, computerised

system for trading records, a laboratory for diagnostic purposes and water quality analysis. The Group also has subsidiaries in Malaysia, Thailand and China.

The farm successfully acquired ISO 9002 certification for its conditioning and packaging operations in December 1996, one of the first ornamental farms in the world to receive such an award. The farm was also recently awarded the ISO 14000 for its environmental management system, and won the EDB Innovation Development Scheme Award in 1997.

The farm is designed "factory-style", comprising 12 main buildings for its trading and farming operations. Facilities include a temperature-controlled packing-house for packing fish for export, a computerised system for trading records, a laboratory for fish examination and water quality analysis, and various indoor/outdoor culture systems for holding/farming fish under controlled environment. Qian Hu focuses on

farming high value fish, such as South American catfish and Dragon fish, with most of the operations conducted under a controlled environment.

Shareholders. Qian Hu Corp's major shareholder is Qian Hu Holdings Pte Ltd, which holds 28.4% of the company. The deemed shareholders of Qian Hu are Kenny Yap, the group's executive chairman and managing director, as well as relatives Alvin Yap and Andy Yap. The Yap family members, who are founding members of the group, also sit on the board and hold key management positions in the company. Both Alvin and Andy Yap are joint deputy managing directors of the listed company. The Yap family has an estimated combined 51% stake in Qian Hu Corporation.

Technicals: On weekly chart, the stock appears to be trending sideways. Weekly support is at \$0.635. Daily chart shows sporadic movement with no clear trend. *(By K. Ajith)*

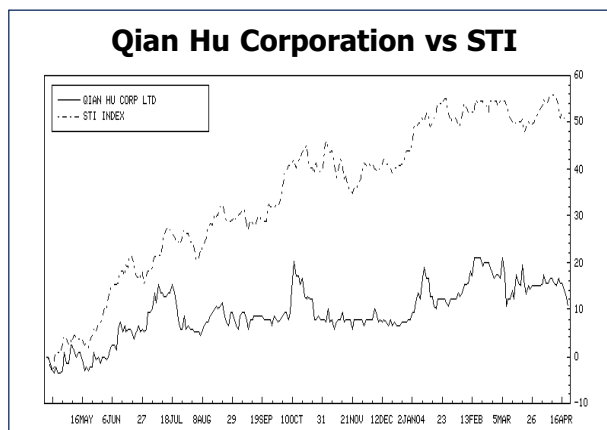
Profit & Loss						
Year end Dec 31st	FY01A	FY02A	FY03A	FY04F	FY05F	FY06F
Sales	41.25	62.69	67.68	80.25	90.25	100.42
EBITDA	5.69	10.03	11.42	13.15	14.96	16.63
Depreciation	(1.18)	(1.41)	(1.65)	(1.68)	(1.68)	(1.68)
EBIT	4.51	8.62	9.77	11.47	13.28	14.95
Interest expenses	(0.14)	(0.18)	(0.22)	(0.30)	(0.30)	(0.30)
Interest income	0.01	0.01	0.01	0.02	0.02	0.02
Associates	(0.01)	0.14	-	-	-	-
PBT	4.37	8.59	9.55	11.19	13.00	14.67
Less: Tax	(0.86)	(2.05)	(1.78)	(2.09)	(2.43)	(2.74)
PAT	3.51	6.54	7.77	9.10	10.57	11.93
Minority Interest	0.05	0.01	(0.75)	(0.60)	(0.60)	(0.75)
Net profit	3.56	6.55	7.02	8.50	9.97	11.18

Balance Sheet	FY2002	FY2003
Gross fixed assets	13.5	26.2
Accum depreciation	4.3	5.9
Net fixed assets	9.2	20.2
LT inv't & LT rec	0	0
Other assets	0.3	1
Other cur assets	0.9	1.8
Inventories	12.9	16.2
Acct & notes rec	12.8	13.8
Marketable sec	0	0
Cash & near cash	7.7	4.1
Current assets	34.2	36
Total assets	43.7	57.2
Net current assets	19.8	22
Non-depr fixed assets	0	0
Accounts payable	5.8	4.3
ST borrowings	3.6	2.8
Other ST liab	5.1	6.8
Cur liabilities	14.4	14
Tot asset-cur liab	29.3	43.3
LT borrowings	0.7	1.6
Other LT liab	0.4	1
Total liabilities	15.5	16.5
Preferred equity	0	0
Minority interest	0.3	4.2
Share cap & APIC	15	17.9
Retained earnings	12.9	18.6
Shareholder equity	28.2	40.7
Tot liab & equity	43.7	57.2
Shares out	123.6	127.5
ST part of LT debt	0.4	0.8

Qian Hu Corporation

Full Year ended 31 Dec (S\$)

Cash Flow Summary	2002	2003
Profit before taxation and minority interest	8,588,144.0	9,553,651.0
Operating profit before working capital changes	10,124,963.0	10,217,620.0
Cash generated from operations	5,966,562.0	3,154,600.0
Net cash generated from operating activities	4,678,385.0	987,436.0
Net cash used in investing activities	-1,668,094.0	-3,669,013.0
Net cash (used in) generated from financing activities	3,475,270.0	-1,014,742.0
Net increase (decrease) in cash and cash equivalents	6,485,561.0	-3,696,319.0
Cash and cash equivalents at beginning of period/year	1,335,126.0	7,820,687.0
Cash and cash equivalents at end of period/year	7,820,687.0	4,124,368.0



SGX-MAS RESEARCH INCENTIVE SCHEME

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Research Director