

Qian Hu Corporation Limited

4Q and FY2017
Results Briefing

12 January 2018





Financial Highlights (4Q)

(S\$'000)	4Q2017	4Q2016	Change (%)
Revenue	22,042	22,112	(0.3)
Profit/(Loss) Before Tax	192	(128)	250.0
EBITDA	825	439	87.9
Net Profit	126	36	250.0
Earnings per share (fully diluted)	0.11 cents	0.03 cents	



Financial Highlights (FY2017)

(S\$'000)	FY2017	FY2016	Change (%)
Revenue	87,824	80,470	9.1
Profit/(Loss) Before Tax	761	(10)	NM
EBITDA	3,092	2,208	40.0
Net Profit	329	68	383.8
Earnings per share (fully diluted)	0.29 cents	0.06 cents	



Fish

(S\$' 000)	4Q2017	4Q2016	Change (%)	3Q2017	Change (%)
Revenue	8,709	7,974	9.2	8,976	(3.0)
Operating Profit/(Loss)	243	(58)	519.0	439	(44.6)

- Improved export performance in our hubs in Singapore, Malaysia, Thailand and Indonesia
- Sales of Dragon continued to grow in tandem with other ornamental fish
- 4Q2017 revenue/profit was lower than 3Q2017 as the first phase of edible fish farming was for a period of 6 months from March to September
- Different sales mix in 4Q2017 boosted profitability y-o-y





Accessories

(S\$' 000)	4Q2017	4Q2016	Change (%)	3Q2017	Change (%)
Revenue	10,458	11,215	(6.7)	10,440	0.2
PBT	411	175	134.9	353	16.4

- Loss of sales from shipment delays to some overseas customers as a result of a change in import regulations. These will be delivered in FY2018
- Improved profitability in 4Q2017 due to ability to capture more markets by the proprietary brands





Plastics

(S\$' 000)	4Q2017	4Q2016	Change (%)	3Q2017	Change (%)
Revenue	2,875	2,923	(1.6)	3,066	(6.2)
PBT	246	199	23.6	290	(15.2)

- Plastics segment continued to generate stable revenue
- Improved margins from favourable raw material prices in 4Q2017





Balance Sheet Highlights

(S\$' 000)

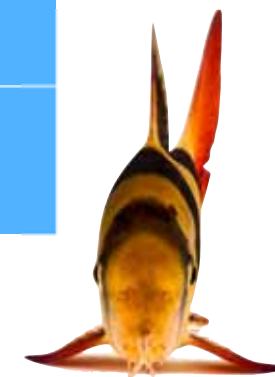
	31 December 2017	31 December 2016
Total Assets	81,634	77,663
Total Liabilities	29,999	27,169
Total Shareholder's Equity	51,635	50,494





Cash Flow Statement

(S\$' 000)	FY2017	FY2016
Cash from operating activities	6,725	3,076
Cash used in investing activities	(4,635)	(2,349)
Cash from financing activities	303	210
Net increase in cash and equivalents	2,393	937
Cash and cash equivalent at end of year	11,124	8,723





Key Indicators

	31 December 2017	31 December 2016
Inventory Turnover	92 days	101 days
Trade Receivables Turnover*	103 days	115 days
Trade Receivables Turnover (without Guangzhou Qian Hu balances)	68 days	75 days
Debt Equity Ratio	0.58	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

- Positive contributions since 3Q2017 shortly after farming of fingerlings commenced in May 2017
- Expect to possess brooder stocks of edible fish/ seafood for breeding purposes in due course



Second farm in Hainan

- Incorporated Tian Tian Fisheries (Hainan) in November 2017 for:
 - ✓ Commercial farming of shrimps
 - ✓ Import/export of edible fish and other seafood



Long term goal: to be a fully-integrated aquaculture farm, capturing the entire value chain of edible fish/seafood – from breeding to farming to table



Genetic breeding of Albino Dragon Fish

- Genetic breeding of Albino Dragon Fish progressing well
- Using this expertise to develop a whole new range of ornamental fish that are albino
- Will gain pace in FY2018 and improve profitability of Ornamental Fish segment in the years to come





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



Using R&D to transform QH into a technology company

- Strong focus on – technology, innovation and quality
- We aspire to be the industry's most value-adding and productive provider of edible fish, ornamental fish and accessories
- Qian Hu is on track to becoming the world's number 1 ornamental fish exporter



Q&A

