

# Qian Hu Corporation Limited

4Q and FY2019  
Results Briefing

13 January 2020





## Financial Highlights (FY2019)

(S\$'000)	FY2019	FY2018	Change (%)
Revenue	76,915	85,667	(10.2)
Profit Before Tax	1,059	775	36.6
EBITDA	4,659	3,447	35.2
Net Profit	920	402	128.9
Earnings per share (fully diluted)	0.81 cents	0.35 cents	131.4



## Financial Highlights (4Q)

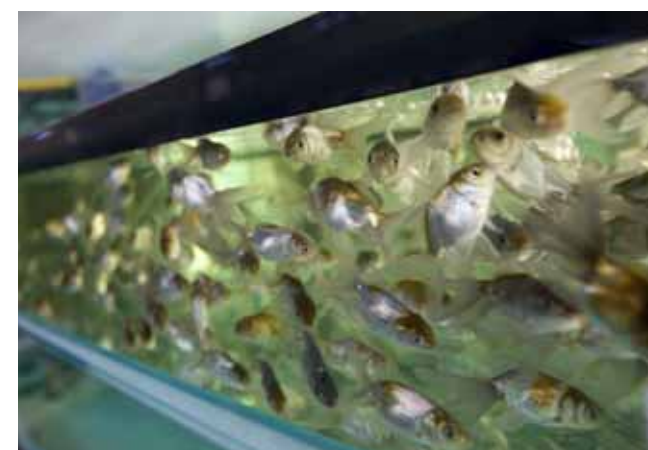
(S\$'000)	4Q2019	4Q2018	Change (%)
Revenue	19,609	20,673	(5.1)
Profit Before Tax	316	52	507.7
EBITDA	1,191	741	60.7
Net Profit	346	46	652.2
Earnings per share (fully diluted)	0.30 cents	0.04 cents	650



# Fish

(S\$' 000)	4Q2019	4Q2018	Change (%)	3Q2019	Change (%)
Revenue	6,312	7,557	(16.5)	7,538	(16.3)
Operating Profit	472	70	574.3	560	(15.7)

- Higher revenue generated by Aquaculture business in Hainan
- However, this was eclipsed by the intense price competition in Dragon Fish business
- Continued efforts in growing the emerging Aquaculture business will gradually revive the performance of the Fish segment in coming quarters





# Accessories

(S\$'000)	4Q2019	4Q2018	Change (%)	3Q2019	Change (%)
Revenue	10,456	9,801	6.7	8,605	21.5
Operating Profit	421	447	(5.8)	345	22.0

- Rise in 4Q2019 sales due to:
  - Consolidation of the Group's Accessories business in China was completed
  - Contribution from newly acquired Guangzhou subsidiary
- Operating profit in 4Q2019 was lower due to difference in sales mix and efforts to capture more sales



# Plastics

(S\$'000)	4Q2019	4Q2018	Change (%)	3Q2019	Change (%)
<b>Revenue</b>	2,841	3,315	(14.3)	3,096	(8.2)
<b>Operating Profit</b>	363	236	53.8	299	21.4

- 4Q2019 sales dipped 14.3% due to lower sales to consumer sector amidst a softening domestic market.
- Higher operating profit due to favourable raw material prices and stable selling prices





## Balance Sheet Highlights

(S\$' 000)	31 December 2019	31 December 2018
<b>Total Assets</b>	79,570	79,807
<b>Total Liabilities</b>	27,682	28,999
<b>Total Shareholder's Equity</b>	51,888	50,808

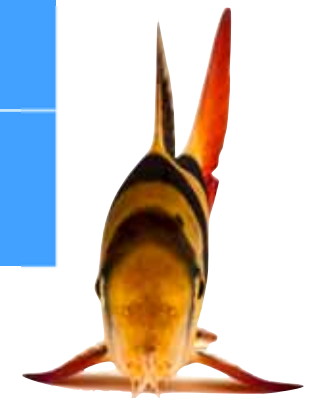




# Cash Flow Statement

(S\$' 000)

	FY2019	FY2018
Cash from operating activities	6,411	515
Cash used in investing activities	(687)	(884)
Cash (used in)/from financing activities	(3,462)	722
Net increase in cash and equivalents	2,262	353
Cash and cash equivalent at end of year	13,784	11,491

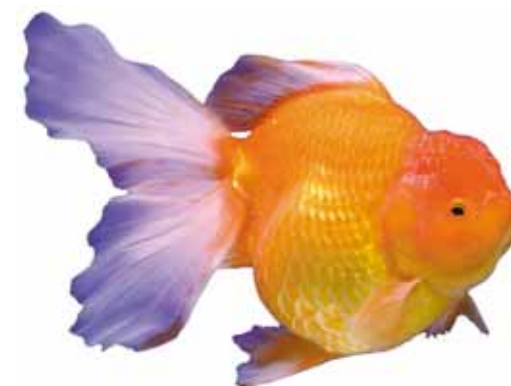






# Key Indicators

	31 December 2019	31 December 2018
Inventory Turnover	117 days	97 days
Trade Receivables Turnover	75 days	103 days
Debt Equity Ratio	0.53	0.57



# Business Updates





## Continual innovation in Accessories

- Growth drivers - “Ocean Free” and “OF” brands
- Latest product innovations:
  - OF’s 4G Professional Arowana Tank
  - Modular Pond Filtration System
  - A host of ancillary products for Koi:
    - *3DM PH+ for ph stabilization*
    - *OF Nature Earth supplements*
    - *Specialised lighting for indoor and outdoor ponds*
    - *Automatic pond feeder*

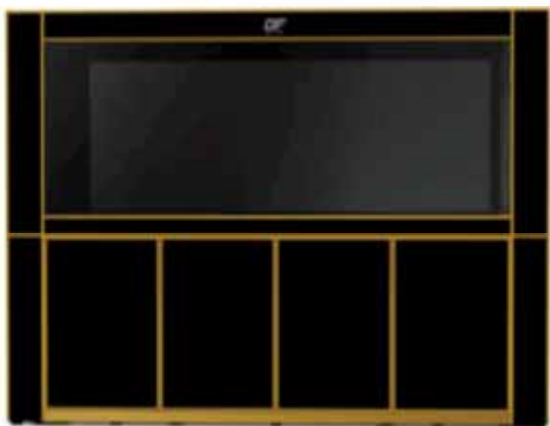




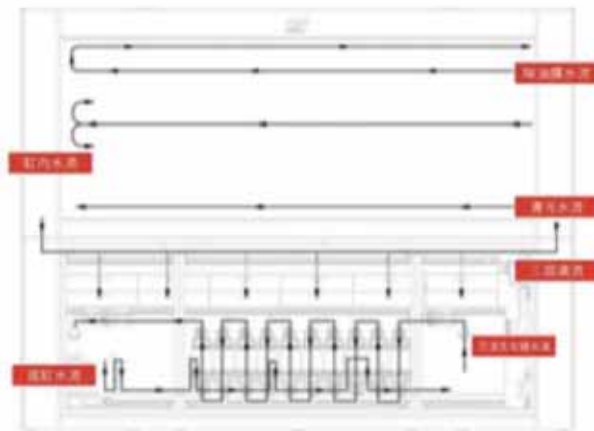
# 4G Professional Arowana Tank

- With enhanced biological filtration systems

御龙殿 IV 接受定制



水循环升级 除污无死角



核心底滤 全新设计

高配底滤 净水出众



新增三层滴流



艾洁净水生化链



双水泵联动

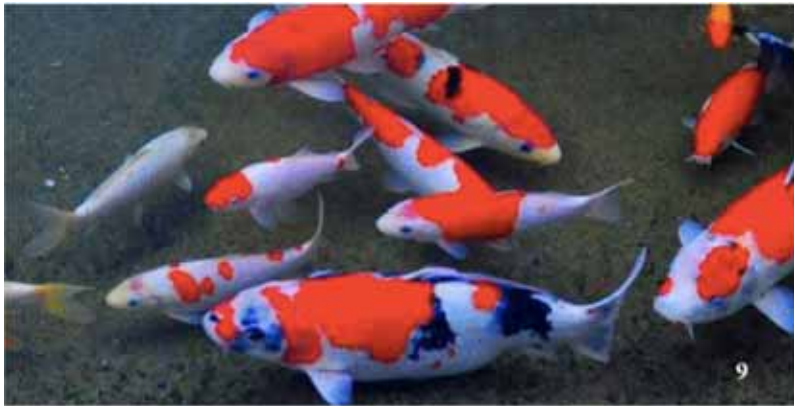


集成系统电路

\*御龙殿IV详细数据请见P37

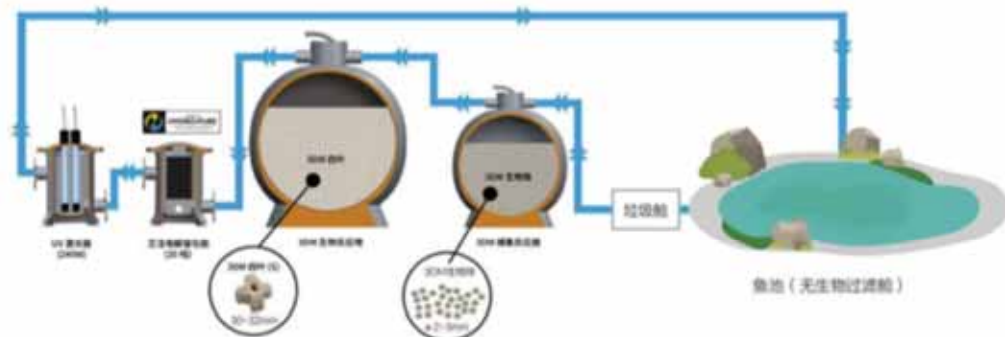


# Modular Pond Filtration System for Koi



OF® 模块化净水系统

## 模块化净水系统



- Integrated system that replaces conventional pond systems
- A full suite of solutions:
  - A series of biological filtration systems eg bio-beeds and 3DM tetris
  - Hydra Ginox
  - High-powered UV radiator



# Other accessories for Koi ponds



*3DM PH+ water stabilizer*



*Specialised lighting for indoor and outdoor koi ponds*



*OF Nature Earth mineral supplements*



*Automatic Pond Feeder*



## Developing new varieties of ornamental fish



- We are in the midst of developing new fish types using new genomic technology with a team of researchers
- Will gain pace in the near future and boost profitability



# Aquaculture Business in Hainan

- Intensive farming of new species of edible fish
- Expanding into new area in the value chain
- Conducting trials on new edible products
- Plans to capture entire value chain:



Breeding



Farming



Table





# R&D is key to growth

- Whether it is ornamental fish, accessories or aquaculture, R&D remains a critical capability to drive innovation and product development in the Group
- On track to becoming world's biggest ornamental fish exporter





**Q&A**

