



QIAN HU CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 199806124N)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Qian Hu Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Watch-list under the minimum trading price (“**MTP**”) entry criteria pursuant to Listing Rule 1311(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 June 2017.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update of the efforts made in meeting the MTP exit criteria as set out in Rule 1314(2) of the Listing Manual as at 11 January 2019.

Update on Audited Financial Performance and Financial Position

For the fourth quarter (“4Q 2018”) and for the year ended 31 December 2018 (“FY 2018”), the Group’s revenue decreased by 6.2% and 2.5% respectively, as compared to the corresponding periods in 2018. This was mainly due to lower sales contribution from its accessories business as a result of the disposal of a China subsidiary, with the intention to streamline the Group’s accessories operations in China. In addition, the decline in the selling prices of Dragon Fish had, to some extent, affected the revenue contribution from its fish segment.

With the lower revenue contribution and the gradual increase in overall operational costs, the Group’s profit attributable to the owners of the Company decreased by 63.5% in 4Q 2018 as compared to the corresponding period in 2017. Nonetheless, the Group’s profit attributable to the owners of the Company increased by 22.2% in FY 2018, with improvement in profit margins generated from the Group’s core businesses in the earlier quarters of FY 2018.

The Company has released its audited full-year financial statements announcement for the fourth quarter and for the year ended 31 December 2018 via SGXNET on 11 January 2019, which has more details on the latest results and financial position of the Group and of the Company, as well as the future developments that may have an impact on its financial situation.

Update on Future Direction

The Board has reviewed the options available to the Company to meet the MTP exit criteria, taking into consideration the various factors, including current tepid market conditions and uncertainty in the global economy. The Board is of the view that it is not the appropriate time to make a decision as to which option will best serve the interests of the shareholders of the Company at this point in time.

The Board is monitoring the situation closely and will continue to explore all options to seek an exit from the MTP Watch-list within 36 months from 5 June 2017. The Company will keep the shareholders informed of the outcome of the Board’s review.

BY ORDER OF THE BOARD

Kenny Yap Kim Lee
Executive Chairman and Managing Director
11 January 2019