



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 16 October 2019.

Update on Unaudited Financial Performance and Financial Position

For the third quarter and for the nine months ended 30 September 2019, the Group’s revenue decreased by approximately \$2.2 million or 10.2% and \$7.7 million or 11.8% 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, coupled with the weakening purchasing sentiments experienced globally. In addition, the decline in the selling prices of Dragon Fish had, to some extent, affected the revenue contribution from its fish segment.

Despite the reduction in overall revenue contribution, the Group’s profit attributable to the owners of the Company increased by approximately 72.0% and 61.2% for the third quarter and for the nine months ended 30 September 2019 respectively, as compared to the corresponding periods in 2018. The positive contribution from the Group’s plastics business segment and its aquaculture business, had lifted profitability registered during the third quarter and the nine months ended 30 September 2019. Nonetheless, it was partially offset by the lower revenue and profit contribution from the accessories segment as a result of the sluggish demand due to the volatility of trading currencies and the unpredictable outcome of the on-going trade tension since the previous quarters.

For more details on the results and financial position of the Group and of the Company, please refer to the unaudited financial statements announcement for the third quarter and nine months ended 30 September 2019 released via SGXNET on 16 October 2019.

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
16 October 2019