



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 13 January 2020.

Update on Audited Financial Performance and Financial Position

For the fourth quarter (“4Q 2019”) and for the year ended 31 December 2019 (“FY 2019”), the Group’s revenue decreased by approximately \$1.1 million or 5.1% and \$8.8 million or 10.2% respectively, as compared to the corresponding periods in 2018. This was mainly due to the decline in Dragon Fish revenue, as well as the lower sales of plastic products to the consumer sector as a result of the softening of demand from the domestic market. The reduction was partially offset by the higher revenue contribution from the accessories segment following the completion of the consolidation of the Group’s China accessories business, coupled with the revenue contribution from the Group’s newly acquired subsidiary in Guangzhou in December 2019.

Despite the reduction in overall revenue contribution, the Group’s profit attributable to the owners of the Company increased by approximately 652.2%% and 128.9%% for the fourth quarter and for the year ended 31 December 2019 respectively, as compared to the corresponding periods in 2018. The positive contribution from the Group’s aquaculture business and its plastics business segment, had lifted the profitability registered during the fourth quarter and the year ended 31 December 2019. Nonetheless, it was partially offset by the lower profit contribution from the accessories segment as a result of a different sales mix and the on-going efforts to capture more sales which has affected its profit margins.

The Company has released its audited full-year financial statements announcement for the fourth quarter and for the year ended 31 December 2019 via SGXNET on 13 January 2020, 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
13 January 2020