



OUHUA ENERGY HOLDINGS LIMITED

(Incorporated in Bermuda on 3 January 2006)
(Company Registration Number 37791)

Quarterly Update Pursuant to Rule 1313(2) of SGX-ST Listing Manual

Ouhua Energy Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 March 2014.

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide the update below in respect of the first quarter ended 31 March 2017.

Update of Financial Position

For the first quarter ended 31 March 2017 (“**1Q2017**”), the Group’s revenue recorded an increase of approximately 10.6% or RMB58.45 million compared to the same quarter last year (“**1Q2016**”), mainly due to the increase in average sale price of liquid petroleum gas (“**LPG**”) from RMB2,660 per tonne in 1Q2016 to RMB3,703 per tonne in 1Q2017.

Gross profit increased by RMB21.72 million, in comparison with 1Q2016. Correspondingly, gross profit margin increased from 5.6% in 1Q2016 to 8.6% in 1Q2017, mainly due to LPG purchase prices being more stable in 1Q2017, as compared to 1Q2016.

On the other hand, the operating expenses decreased by RMB2.02 million or 10.2%, mainly due to a decrease in the foreign exchange losses of RMB1.23million and a decrease in administrative expenses of RMB1.05 million.

As a result of the above, net profit attributable to equity holders recorded RMB32.19 million in 1Q2017.

Please refer to the announcement of our results for the financial period ended 31 March 2017 released on 11 May 2017 for full details.

Update on Future Direction

In view of the foregoing, the Group envisages that the next 12 months will bring challenges to the profitability and performance of the Group. The Group will continue to be prudent in managing its business risks and controlling its operating costs. The Group will also explore more business opportunities for purposes of turnaround.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List. The Group endeavours to meet the requirements of Rule 1314 of the SGX-ST Listing Manual to be removed from the Watch-List.

By Order of the Board
Ouhua Energy Holdings Limited

Liang GuoZhan
Executive Chairman

11 May 2017