

OUHUA ENERGY HOLDINGS LIMITED
(Incorporated in Bermuda under Company Registration No. 37791)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX 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 SGX Listing Manual on 5 March 2014.

Pursuant to Rule 1313(2) of the SGC Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide the update below in respect of the fourth quarter ended 31 December 2015.

Update of Financial Position

For the fourth quarter ended 31 December 2015 (“**Q4 2015**”), the Group revenue recorded an increase of approximately 86.61% or RMB286.31 million compared to the same quarter last year (“**Q4 2014**”), mainly due to the sharp increase in the sales volume from 102,043 tonnes in Q4 2014 to 192,062 tonnes in Q4 2015.

Gross profit increased by RMB80.01 million or 532.48% in Q4 2015 as compared to Q4 2014. Correspondingly, gross profit margin increased from negative 3.45% to positive 10.43% mainly due to the fluctuation of LPG purchase price was more stable in Q4 2015 as compared to Q4 2014.

As a result of the above, the net profit attributable to equity holders is recorded as RMB28.79 million in Q4 2015.

Please refer to our result announcement for the financial period ended 31 December 2015 released on 26 February 2016 for full details.

Update on Future Direction

The global market and economic growth in the following months till 2016 will be full of uncertainties. Going forward, over the next 12 months, international oil price is likely to remain volatile and the lower economic growth rate for China and weaker RMB are likely to continue. These adverse external factors will continue to pose big challenges for our LPG business and our Group in 2016.

However, international oil prices having declined very substantially recently may also provide some opportunities for better economic and business conditions for China and our Group which was partially reflected in our performance of 2015. Our Group will continue to be prudent in managing our business risks, controlling our operating costs and will take advantage of all opportunities going forward to cope with all our challenges and strive to further improve our profitability in 2016.

By Order of the Board
Liang Guo Zhan
Executive Chairman

26 February 2016