



## OUHUA ENERGY HOLDINGS LIMITED

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

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

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Effective from 5 June 2017, Ouhua Energy Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) watch-list pursuant to the Listing Rule 1311(2) under the revised Minimum Trading Price entry criteria.

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 3rd quarter ended 30 Sep 2018 (“**Q3 2018**”).

#### Update of Financial Position

Revenue increased by approximately 17.1% or RMB96.5 million, mainly due to the increase of average domestic sale price of LPG from RMB3,101 per tonne in 3Q2017 to RMB3,831 per ton in 3Q2018 and sales volume of LPG from 101,165 tonnes 3Q2017 to 193,967 tonnes in 3Q2018. Price competitiveness Gross profit increased by RMB15.8 million as compared to that in 3Q2017 due to margin increase, favorable sales mix and domestic sales volume increase. Profit margin improved from 3.9% in 3Q2017 to 5.7% in 3Q2018.

Other operating income decreased by RMB8.8 million mainly due to the foreign exchange gain of RMB7.3 million in 3Q2017.

Operating expenses increased by RMB4.8 million mainly due to the following:

- (i) Selling and distribution expenses decreased by approximately RMB2.1 million or 22.7% due to marine freight decrease driven by lesser export volume
- (ii) Administrative expenses decreased by RMB0.9 million or 19.2%
- (iii) Other operating expenses increased by RMB6.0 million mainly due to exchange loss RMB8.7 million.

Finance costs decreased by approximately RMB0.6 million or 17.4% mainly due to interest expenses saving driven by the decrease in average loans from banks.

As a result of the above, net profit attributable to equity holders recorded RMB14.2million in 3Q 2018.

Please refer to the announcement of our results for the financial period ended 30 Sep 2018 released on 8 November 2018 for full details.

#### Update on Future Direction

In view of the foregoing, the Group envisages that the next 12 months will continue to bring challenges to the profitability and performance of the Group. As such, 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 will endeavor 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

8 November 2018