

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF 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 SGX 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 2014.

Update of Financial Position

For the fourth quarter ended 31 December 2014 (“Q4 2014”), the Group revenue recorded a decrease of approximately 25.83% or RMB151.6 million compared to the same quarter last year (“Q4 2013”), mainly due to the sharp fall in the market price of LPG even though the sales volume increased from 98,183 tonnes in 4Q2013 to 102,043 tonnes in 4Q2014.

Gross profit decreased by RMB20.55 million or 372.27% in 4Q2014 as compared to 4Q2013. Correspondingly, gross profit margin decreased from 0.94% to negative 3.45% mainly due to the fluctuation of LPG purchase price was more unstable in 4Q2014 as compared to 4Q2013.

As a result of the above, the net loss attributable to equity holders is recorded as RMB56.33 million in 4Q2014.

Please refer to our result announcement for the financial period ended 31 December 2014 released on 27 February 2015 for full details.

Update on Future Direction

The sharp decline in oil prices, the lower economic growth rate for China and weaker RMB in 2014 have very significant impact on our LPG business causing substantial losses for our Group. 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 2015.

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, especially in the second half 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 return to profitability as soon as possible.

By Order of the Board
Ouhua Energy Holdings Limited

Liang Guo Zhan
Executive Chairman

27 February 2015