



OUHUA ENERGY HOLDINGS LIMITED

(Incorporated in Bermuda on 3 January 2006)

(Company Registration Number 37791)

CORRIGENDUM AND FURTHER DETAILS – QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL FOR THE SECOND QUARTER ENDED 30 JUNE 2018

The board of directors of Ouhua Energy Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its quarterly update announcement for the second quarter ended 30 June 2018, which was released on 13 August 2018 (the “**Announcement**”).

This is a corrigendum to the Announcement, pursuant to which, the section titled “Update of Financial Position” should read as follows:

“Revenue increased by approximately 3.4% or RMB21.5 million, mainly due to the increase of average sale price of LPG from RMB3,140 per tonne in 2Q2017 to RMB3,542 per ton in 2Q2018. This is partially offset by the decrease in the sales volume of LPG from 200,648 tonnes 2Q2017 to 183,961 tonnes in 2Q2018. Price competitiveness of LPG as compared to substitute products contributed to the increase of local demand during the period.

Gross profit increased by RMB33.6 million as compared to gross loss of -RMB4.3 million in 2Q2017 due to margin increase and sales mix with domestic sales volume increased by 5.7% (174,218 tonnes vs corresponding period: 164,291 tonnes) whilst export volume was down by 26.3% (19,670 tonnes vs corresponding period: 26,695 tonnes) as result of cancelling non profitable long term contract export customer. Correspondingly, gross profit margin improved from - 0.7% in 2Q2017 to 4.5% in 2Q2018.

Other operating income decreased by RMB3.1 million or 34.4% as compared to 2Q2017, mainly due to the foreign exchange gain of RMB3.3 million in 2Q2017.

Operating expenses increased by RMB8.3 million or 40.1% mainly due to the following:

- (i) Selling and distribution expenses decreased by approximately RMB6.8 million or 47.6% due to marine freight decrease driven by lesser export volume
- (ii) Administrative expenses decreased by RMB0.04 million or 0.6%
- (iii) Other operating expenses have increased by RMB15.1 million mainly due to exchange losses of RMB11.5 million and letter of credit fees charged by banks.

Finance costs decreased by approximately RMB1.8 million or 52.3% mainly due to a decrease in interest expenses driven by the decrease in average loans from banks.

As a result of the above, net profit attributable to equity holders recorded RMB1.9 million in 2Q 2018.

Please refer to the announcement of our results for the financial period ended 30 Jun 2018 released on 13 Aug 2018 for full details.”

Save as disclosed above, there are no other changes to be made to the Announcement.

By Order of the Board
Liang Guo Zhan
Executive Chairman

15 August 2018