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 2013.

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 second quarter ended 30 June 2014.

Update of Financial Position

For the second quarter ended 30 June 2014 ("Q2 2014"), the Group revenue recorded an increase of approximately 103.37% or RMB332.14 million compared to the same quarter last year ("Q2 2013") mainly due to the rise in sales from 65,368 tonnes in 2Q2013 to 114,850 tonnes in 2Q2014.

Gross profit increased by RMB13.84 million or 166.67% in 2Q2014 as compared to 2Q2013. Correspondingly, gross profit margin increased from negative 2.66% to 0.87% mainly due to the fluctuation of LPG purchase price was more stable in 2Q2014 as compared to 2Q2013.

On the other hand the operating expenses increased by RMB10.69 million or 67.8% which was changed proportionately in the growth of sales in this financial period.

As a result of the above, net loss attributable to equity holders recorded RMB22.9 million in 2Q2014.

Please refer to our result announcement for the financial period ended 30 June 2014 released on 14 August 2014 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 business risks and controlling operating costs, and explore more business opportunities for turnaround.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List. The Group will endeavour 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 Guo Zhan
Executive Chairman

14 August 2014