



OUHUA ENERGY HOLDINGS LIMITED

(Incorporated in Bermuda on 3 January 2006)

(Company Registration Number 37791)

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

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 fourth quarter ended 31 December 2017 (“**Q4 2017**”).

Update of Financial Position

For the Q4 2017, the Group revenue recorded an increase of approximately 31.08% or RMB197.70 million compared to the same quarter last year (“**Q4 2016**”), mainly due to the increase of average liquid petroleum gas (“**LPG**”) sale price from RMB2,958 per tonne to RMB4,108 per tonne. This was partially offset by decrease in the sales volume from 215,114 tonnes in Q4 2016 to 204,928 tonnes in Q4 2017.

Gross profit decreased by RMB18.25 million or 29.65% in Q4 2017 as compared to Q4 2016. Correspondingly, gross profit margin decreased from 9.71% to 5.19%.

As a result of the above, the net profit attributable to equity holders is recorded as RMB16.72 million in Q4 2017.

Please refer to our result announcement for the financial period ended 31 December 2017 released on 26 February 2018 for full details.

Update on Future Direction

The global market and economic growth in the following months till 2018 will be full of uncertainties amid steady increase prices over the past 12 months. For 2018 and over the next 12 months, the group is optimistic that international oil price is likely to move up and LPG should be on the uptrend from the third quarter ending 30 September 2018 (“**3Q 2018**”) onwards. Although crude oil is expected to have limited upside, it is still capable of sustaining liquefied gas prices in 2018.

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 2018.

By Order of the Board
Liang Guo Zhan
Executive Chairman

26 February 2018