

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 first quarter ended 31 March 2015.

Update of Financial Position

For the first quarter ended 31 March 2015 (“**1Q 2015**”), the Group’s revenue recorded a decrease of approximately 44.67% or RMB278.52 million compared to the same quarter last year (“**1Q 2014**”). mainly due to a decrease of average sale price of LPG from RMB5,879 per ton 1Q2014 to RMB3,642 per ton 1Q 2015.

Gross profit increased by RMB54.36 million as compared to 1Q 2014. Correspondingly, gross profit margin improved from a negative 2.44% in 1Q 2014 to a positive 11.35% in 1Q 2015. mainly due to the fluctuation of LPG purchase price was more stable in 1Q2015 as compared to 1Q 2014.

On the other hand the operating expenses decreased by RMB8.88 million or 35.97% mainly due to an decrease in selling and distribution expenses of RMB4.36 and decrease in other operating expenses of RMB4.58.

As a result of the above, net profit attributable to equity holders recorded RMB18.16 million in 1Q 2015.

Please refer to the announcement of our results for the financial period ended 31 March 2015 released on 29 April 2015 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 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 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 GuoZhan
Executive Chairman

29 April 2015