

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 third quarter ended 30 September 2015.

Update of Financial Position

For the third quarter ended 30 September 2015 (“**3Q 2015**”), the Group’s revenue recorded an increase of approximately 26.26% or RMB105.18 million in 3Q 2015 compared to the same quarter last year (“**3Q 2014**”), mainly due to the rise in sales in 3Q 2015.

Gross profit increased by 445% or RMB50.77 million in 3Q 2015 as compared to 3Q 2014. Correspondingly, gross profit margin increased from negative 2.85% to 7.78% mainly due to the fluctuation of LPG purchase price being more stable in 3Q 2015 as compared to 3Q 2014.

On the other hand, the operating expenses increased by RMB10.15 million or 54% mainly due to (i) the decrease of RMB0.26 million in the tugboat charge; (ii) an increase of RMB1.46 million in administrative fees; and (iii) an increase of RMB8.95 million in other operating expenses.

As a result of the above, the net profit attributable to equity holders recorded RMB3.17 million in 3Q 2015.

Please refer to the announcement of our results for the financial period ended 30 September 2015 released on 13 November 2015 for full details.

Update on Future Direction

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 its operating costs. The Group will also endeavour to explore more business opportunities.

The Group is aware of the deadline given by 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

13 November 2015