

**OUHUA ENERGY HOLDINGS LIMITED**  
(Incorporated in Bermuda under Company Registration No. 37791)

**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE 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 SGC 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 2016.

**Update of Financial Position**

For the fourth quarter ended 31 December 2016 (“**Q4 2016**”), the Group revenue recorded an increase of approximately 3.16% or RMB19.48 million compared to the same quarter last year (“**Q4 2015**”), mainly due to the increase in the sales volume from 192,062 tonnes in Q4 2015 to 215,114 tonnes in Q4 2016. This was partially offset by the decrease of LPG sale price from RMB3,212 per tonne to RMB2,958 per tonne.

Gross profit decreased by RMB3.37 million or 5.17% in Q4 2016 as compared to Q4 2015. Correspondingly, gross profit margin decreased from 10.43% to 9.71% mainly due to the fluctuation of LPG purchase price was more stable in Q4 2015 as compared to Q4 2015.

As a result of the above, the net profit attributable to equity holders is recorded as RMB26.25 million in Q4 2016.

Please refer to our result announcement for the financial period ended 31 December 2016 released on 28 February 2017 for full details.

**Update on Future Direction**

The global market and economic growth in the following months till 2017 will be full of uncertainties. Going forward, over the next 12 months, international oil price is likely to remain volatile and the lower economic growth rate for China and weaker RMB are likely to continue. These adverse external factors will continue to pose big challenges for our LPG business and our Group in 2017.

However, international oil prices having declined very substantially recently may also provide some opportunities for better economic and business conditions for China and our Group which was partially reflected in our performance of 2016. 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 2017.

By Order of the Board  
Liang Guo Zhan  
Executive Chairman

28 February 2017