

OUHUA ENERGY HOLDINGS LIMITED

(Company Registration No. 37791)

(Incorporated in Bermuda)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	“Live” webcast
DATE	:	30 April 2020
TIME	:	10:00 a.m.
PRESENT	:	As per attendance list
CHAIRMAN OF THE MEETING	:	Mr Liang Guo Zhan (the “Chairman”)

QUORUM

As a quorum was present, the Chairman declared the meeting open at 10:00 a.m., the Chairman then invited Mr Gerald Yeo, the Independent Director to conduct the proceedings of the meeting in English on his behalf.

NOTICE

The notice convening the meeting was, with the permission of the meeting, taken as read.

POLLING PROCESS

It was noted that all shareholders who wish to vote at the meeting have appointed the Chairman to act as their proxy and they have directed their vote accordingly prior to this Meeting.

All the proxy forms received by the Share Registrar, Tricor Barbinder Share Registration Services via post and email by the cut-off date have been verified by the scrutineer, Entrust Advisory Pte. Ltd. (the “Scrutineer”).

QUESTION

Certain shareholders have submitted their questions prior to the meeting and the Company had, on 30 April 2020, announced the responses to those questions on SGXNet and the Company’s website.

ORDINARY BUSINESS

1. RECEIPT AND ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 TOGETHER WITH THE DIRECTORS’ STATEMENT AND AUDITORS’ REPORT

The Company’s Chief Finance Officer, Mr Xie Jingyuan, elaborated that the decrease in gross profit margin was due to the rise in price competition from domestic LPG producing plants, as well as the depreciation of the RMB against the USD in FY2019, and the trade war between the United States and China.

Responding to Seow Yin Loong’s concern regarding the increase in operating expenses, Mr Xie responded that this is mainly due to foreign exchange loss following the depreciation of the RMB against the USD in FY2019.

Responding to Seow Yin Loong's query on why the Company did not declare dividend despite FY2019 being a year of profitability, Mr Yeo explained that the payment of dividend depends on several factors such as the Company's cash flow position and balance sheet. The Company is still repairing its balance sheet and strengthening its cash flow position after substantial losses from previous years.

Responding to Seow Yin Loong's query on the Company's plans for the next 2 to 3 years, the Chairman responded that he is unable to go into any specifics on the Company's plans at the meeting. However, the Chairman assured that he has confidence in the Company's ability to cope with this crisis and also the Company's performance going forward.

Responding to Seow Yin Loong's query on the Company's policy on LPG price hedging, the Chairman responded that the Company had done hedging previously but the results were not encouraging given the hedging costs incurred. The Company monitors LPG prices very closely and is still open to hedging if market conditions calls for it.

Responding to Seow Yin Loong's query on whether the Company will expand its distribution network in Chaozhou to other cities so that more profits can be made through economies of scale, Mr Yeo explained that the Company's focus for the last year was to sell to neighbouring provinces. The Company has stopped its export business because the market conditions in overseas markets for LPG were not right

Responding to Seow Yin Loong's query on whether there are the Company has any contract to supply LPG to petrochemical plants as feedstock. Mr Xie responded that the Company does not supply to petrochemical plants directly but its distribution network does sell to these plants.

Responding to Koh Hang Meng and Seow Yin Loong's request for a hard copy of the Company's annual report, Mr Yeo assured that the Company will resend a hard copy to them.

Responding to Koh Hang Meng's query in relation to the Company's watchlist status, in particular, whether the Company intends to delist from SGX, Mr Yeo explained that the Company is awaiting the outcome of SGX's public consultation on the review of Minimum Trading Price before making any decision.

Responding to Koh Hang Meng's query on whether the Company intends to raise more capital in the near future, Mr Yeo explained that the Company is unable to make forward-looking statements at the meeting.

Responding to Koh Hang Meng's query on the Company's strategy to overcome the oil price slump, Mr Xie explained that the impact on LPG prices in China is less severe as demand of petrochemicals has increased for production of PPE supplies and LPG is feedstock for petrochemicals.

Responding to Koh Hang Meng's query on whether the Company has any oil futures contracts, Mr Yeo responded that the Company does not have such oil futures contracts.

Responding to Koh Hang Meng's query on the impact of recession on the Company, Mr Yeo explained that it is difficult for the Company to implement a long-term strategy to deal with the impact of the recession as the COVID-19 situation and oil price crisis are both evolving and it is difficult to predict whether there will be a second or third wave of COVID-19 infections, or how the oil prices will unfold in the near future.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 1, it was RESOLVED:

"That the Audited Financial Statements, together with the Directors' Statement and Auditors' Report, for the financial year ended 31 December 2019, be received and adopted."

2. RE-ELECTION OF DIRECTORS

Re-election of Mr Ye Tian Shun

Mr Ye Tian Shun was retiring pursuant to Bye-law 104 of the Company's Bye-laws and had indicated his consent to continue in office. He would, upon re-election, remain as the Executive Director of the Company.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 2, it was RESOLVED:

"That Mr Ye Tian Shun be re-elected as a Director of the Company."

Re-election of Mr Tham Hock Chee

Mr Tham Hock Chee was retiring pursuant to Bye-law 104 of the Company's Bye-laws and had indicated his consent to continue in office. He would, upon re-election, remain as member of the Audit Committee, and Chairman of the Nominating Committee and Remuneration Committee.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 3, it was RESOLVED:

"That Mr Tham Hock Chee be re-elected as a Director of the Company."

3. APPOINTMENT OF DIRECTOR

Appointment of Ms Liang Yaling

Ms Liang Yaling had indicated her consent to be in office pursuant to Bye-law 107 of the Company's Bye-laws. She would, upon appointment, be a member of the Audit Committee, Nominating Committee and Remuneration Committee.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 4, it was RESOLVED:

"That Ms Liang Yaling be appointed as a Director of the Company."

4. DIRECTORS' FEES

The Board had recommended the payment of Directors' fees of S\$119,000 for the financial year ended 31 December 2019.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 5, it was RESOLVED:

"That the payment of Directors' fees of S\$119,000 for the financial year ended 31 December 2019 be approved."

5. APPOINTMENT OF AUDITORS

The retiring auditors, Mazars LLP, had expressed their willingness to continue in office.

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 6, it was RESOLVED:

"That Mazars LLP be re-appointed as Auditors of the Company until the next Annual General Meeting at a remuneration to be fixed by the Directors."

SPECIAL BUSINESS

6. AUTHORITY TO ALLOT AND ISSUE NEW SHARES

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 7, it was RESOLVED:

“That authority be and is hereby given to the Directors to:-

- (A) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (B) (notwithstanding that this authority may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to such authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this authority is given, after adjusting for:-
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this authority is passed; and
- (ii) any subsequent consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this authority, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

7. RENEWAL OF SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

On the proposal of Liang Guo Zhan, as seconded by Gerald Yeo, and by a majority of votes (by way of poll) and with there being no vote of objection to the proposed Resolution 8, it was RESOLVED:

"That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the SGX-ST for the Company and its subsidiary to enter into any of the transactions falling within the types of interested person transactions as set out in the Appendix to the Annual Report 2019 (the "Appendix") with the interested persons described in the Appendix, provided that such transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company and in accordance with the guidelines and procedures as set out in the Appendix and that such approval (the "Shareholders' Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed at 11:45 a.m. and thanked everyone for their attendance.

Confirmed as True Record



Liang Guo Zhan
Chairman of the Meeting
29 May 2020