



OUHUA ENERGY HOLDINGS LIMITED

Financial Results

Full Year Ended 31 December 2006

1 March 2007



Agenda

Key Highlights for FY2006

Financial Performance

Business Overview

Prospects & Outlook

Key Highlights for FY2006

- **Revenue increase 22.5% to RMB3.05 billion with:**
 - higher sales volume
 - expansion of customer base to overseas markets
 - higher average selling prices of LPG
- **Net profit grew 25.3% to RMB93.1 million**
- **Expanded production capacity to 900,000 tonnes from 600,000 tonnes per annum since Oct 2006**
- **Gross margins improved from 4.53% to 5.74% as higher prices transferred to customers**
- **Successfully listed on SGX-ST on 3 Nov 2006**



OUHUA ENERGY HOLDINGS LIMITED

Financial Performance

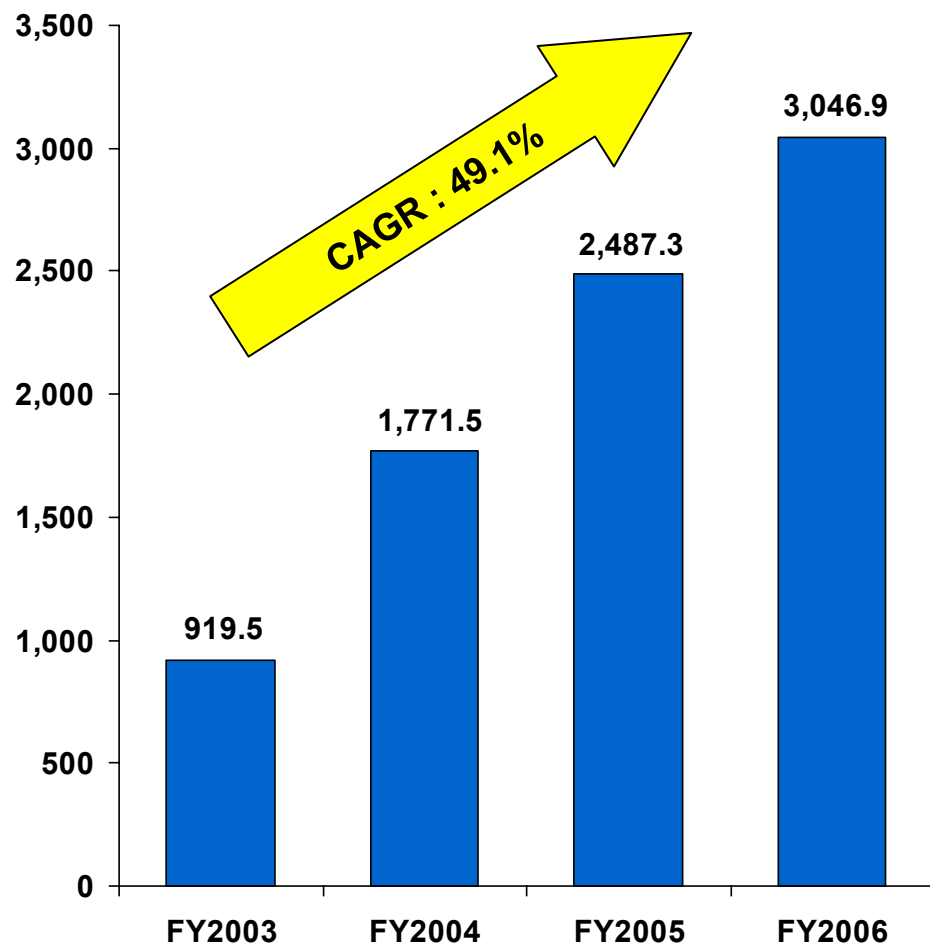


Financial Highlights

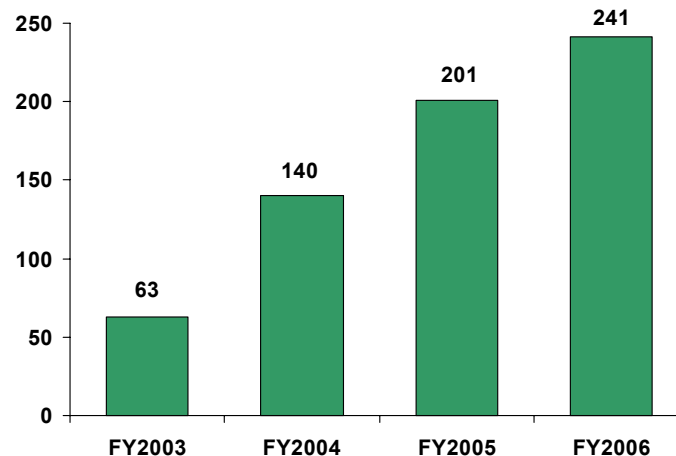
RMB '000	Actual FY2006	Proforma FY2005	% Change
Revenue	3,046,919	2,487,262	+22.50
Gross profit	174,921	112,597	+55.35
Profit before tax	113,630	74,313	+52.91
Net profit after tax	93,117	74,313	+25.30

Revenue Growth

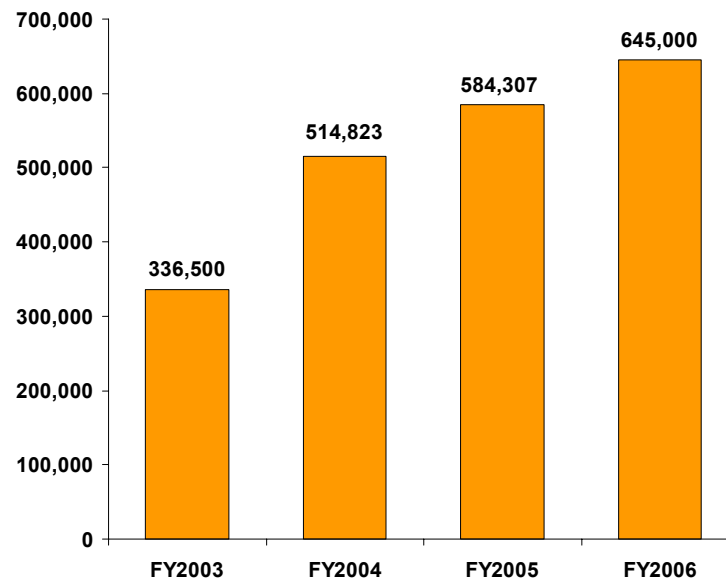
Revenue (RMB 'million)



Customer Base

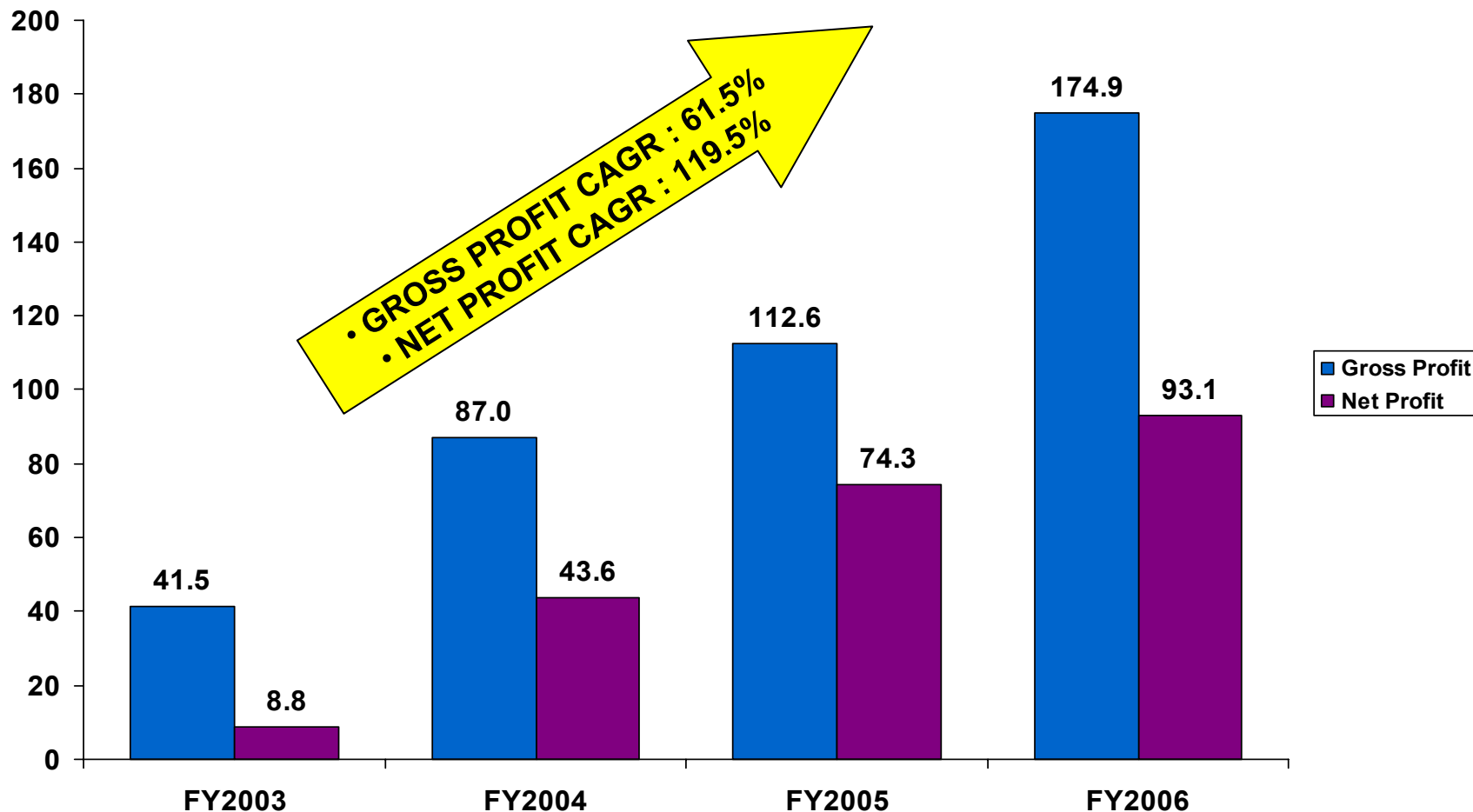


Sales Volume (tonnes)



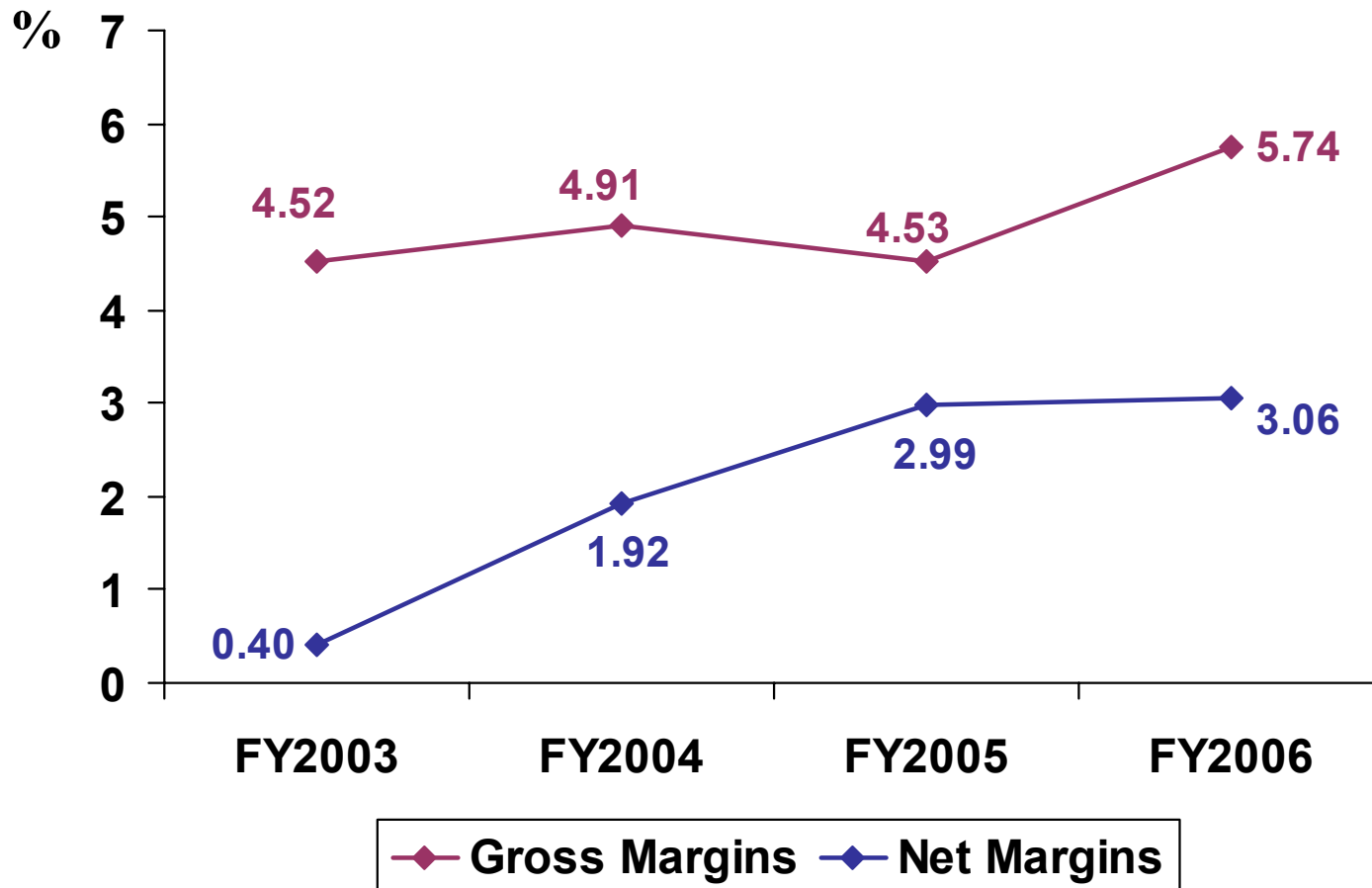
Profit Growth

Gross and Net Profits¹
(RMB 'million)



Notes: (1) Net profit refers to profit after tax from continuing operations had current Group structure been in place since FY03

Profit Margins



Key Financial Ratios

	FY03	FY04	FY05	FY06
Earnings per Share (RMB cents)	3.02	14.87	25.34 ¹	31.75 ¹
Gross Margins (%)	4.52	4.91	4.53	5.74
Net Margins (%)	0.96	2.46	2.99	3.06
Receivable Turnover Days	7	10	10	11
Payable Turnover Days	- #	8 [#]	32	40
Inventory Turnover Days	10	18	18	17
		31 Dec 04	31 Dec 05	31 Dec 06
Gearing Ratio (times)		0.41	N.A.	N.A.
NAV (RMB cents)		52.73	19.99 ¹	98.54 ²

Notes:

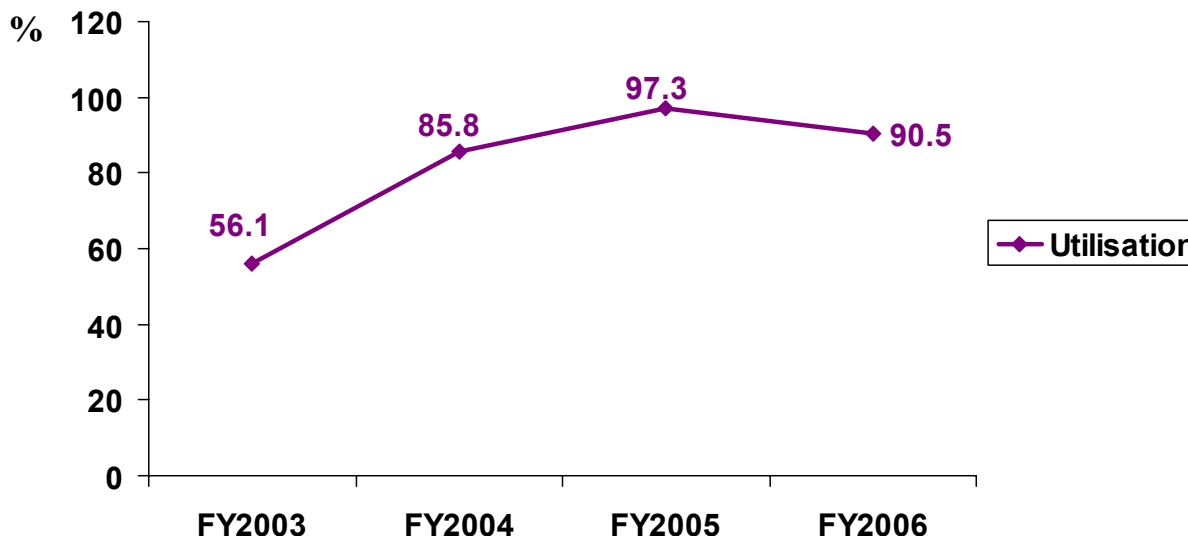
(1) Calculated based on pre-invitation share capital of 293,288,000 shares

(2) Calculated based on post-invitation share capital of 383,288,000

(#) Average trade payables turnover were nil in FY2003 and low in FY2004 as majority of purchases were made by Huafeng Incorporation on the Group's behalf as it had yet to obtain its own letter of credit facilities. Huafeng Incorporation is the investment holding company to Huafeng Refining prior to the restructuring.

Production Capacity Utilisation

- In FY2006, Annual Production Capacity increased from 600,000 tonnes at the beginning of the year to 750,000 tonnes in July 2006 and subsequently to 900,000 tonnes as at 1 Oct 2006



Financial year ends 31 Dec	FY03	FY04	FY05	FY06
Designed Capacity (tonnes)	600,000	600,000	600,000	900,000
Weighted Average Design Capacity (tonnes)	600,000	600,000	600,000	712,500
Actual Output (tonnes)	335,500	514,823	584,000	645,000

Dividend

- **First & Final Dividend of US 0.9 cents per ordinary share**
- **Total payout of RMB27.9 million representing 30% of FY2006 earnings**
- **Dividend yield of 3.84%**

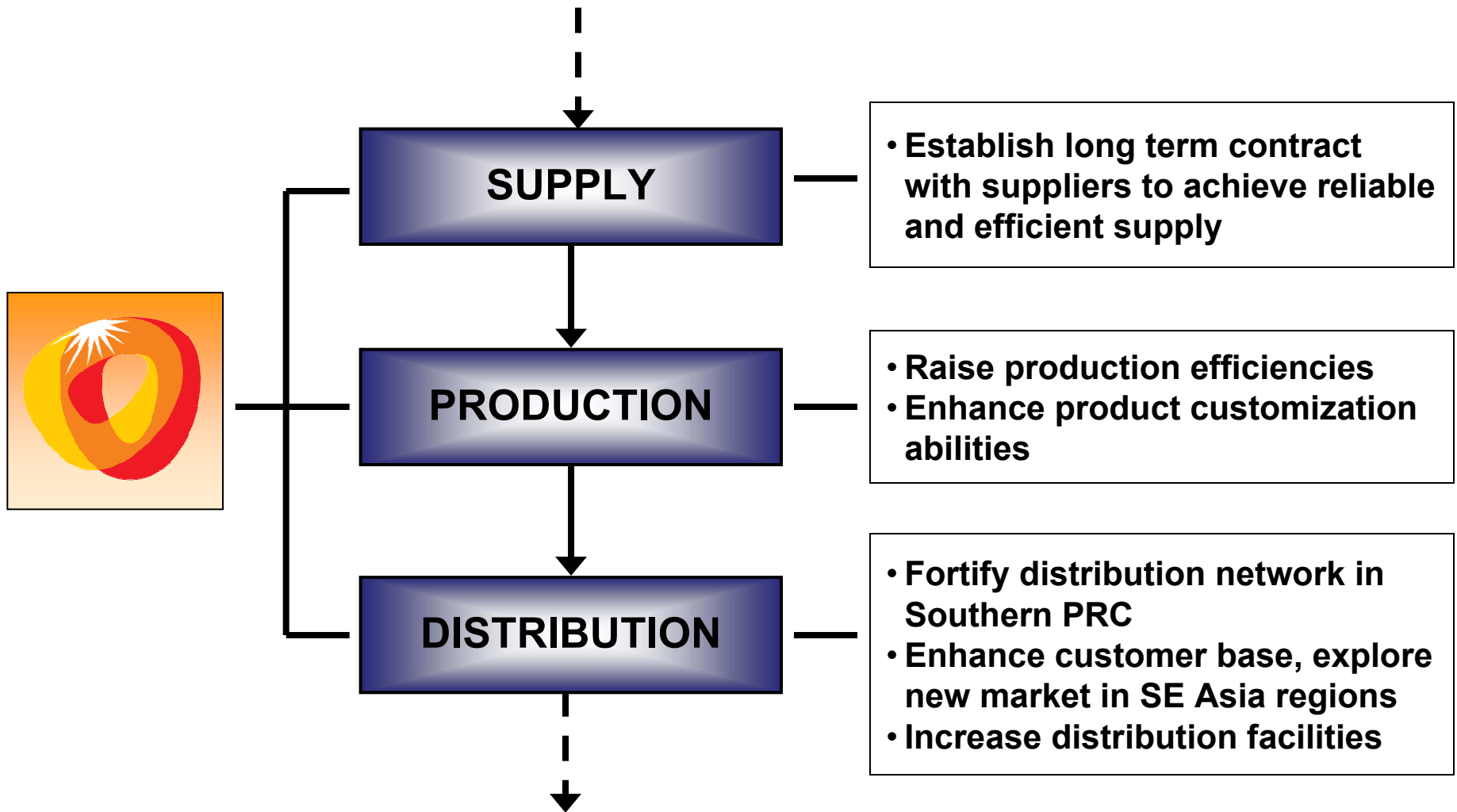


OUHUA ENERGY HOLDINGS LIMITED

Business Overview



Growth Strategy



Production Facilities



Land Area

- **Approximately 131,684m²**

Port Terminals

- **1 x 50,000 tonne**
- **1 x 2,000 tonne**

Storage Tanks

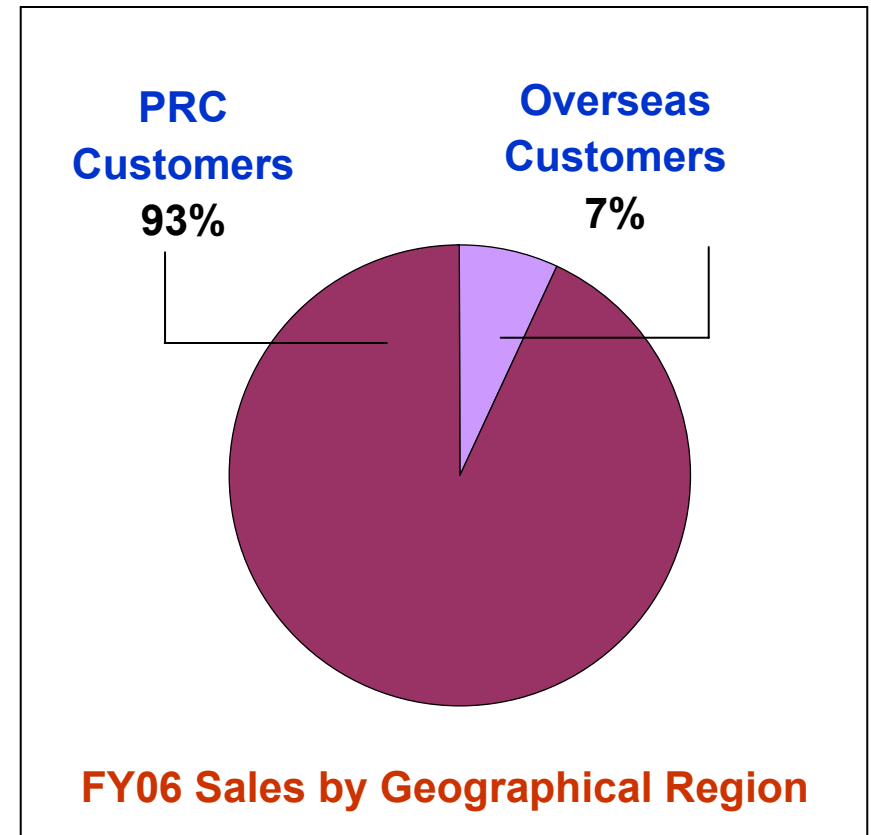
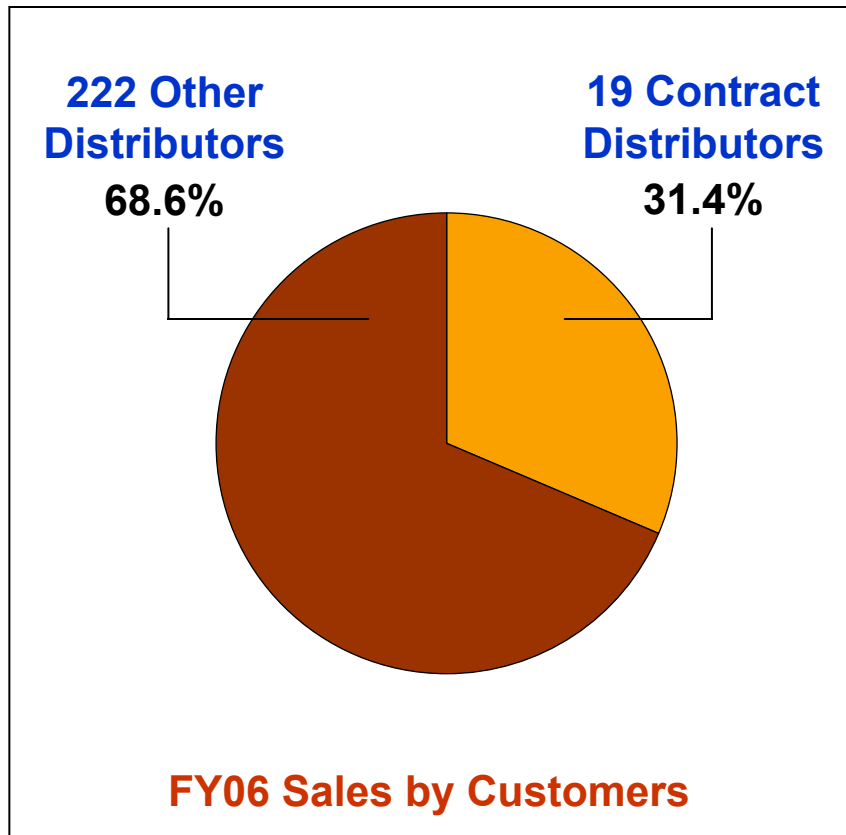
- **6 x 20,000m³ refrigerated tanks**
- **4 x 1,000m³ high pressure tanks**

Annual Designed Production Capacity

- **Expanded to 900,000 tonnes from 600,000 tonnes, with effect from 1 Oct 2006**

Customer Base

In a span of 4 years, Ouhua's customer base grew rapidly by **over three-fold** to more than 241 companies





OUHUA ENERGY HOLDINGS LIMITED

Prospects & Outlook



Industry Prospects

Growing Environmental Concerns

- LPG's properties as a clean-burning and energy-efficient fuel is expected to attract growing demand amidst increasing efforts to promote a cleaner environment, and help the growth of LPG
- With rising oil prices in recent years, the Group believes the usage of LPG as a fuel source for motor vehicles will also increase accordingly. LPG is currently being used as an alternative fuel source for motor vehicles in PRC



FY2007 Outlook

LPG demand (industrial, commercial and residential) to continue to grow with improving economic prospects and rising living standards in the PRC

Global demand for LPG expected to increase, with Asia taking lead:

- **In 3Q2006, Group started to penetrate regional markets, namely Vietnam, Singapore and Hong Kong**
- **Currently constitute less than 10% of Group's total revenue but demand expected to rise**

Future Plans

To cater to the growth in demand

DISTRIBUTION

- Expand sales and distribution networks in the PRC
- Increase marketing efforts to overseas customers
- Charter/acquire own fleet of LPG tankers for marine deliveries
- Acquire LPG delivery trucks for land delivery services

PRODUCTION

- Acquire additional plant and machinery
- Computerise production workflow so as to upgrade existing facilities and improve production efficiency
- Annual production capacity expected to increase to 1.2 million tonnes by end-2007, from the current 900,000 tonnes

CORPORATE

Strengthen market position and ability to value-add by expanding into complementary businesses through JVs, alliances or acquisitions





OUHUA ENERGY HOLDINGS LIMITED

Thank You

