Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Ouhua Energy Holdings Limited

Stock code: AJ2

Meeting details:
Date: 29 Apr 2025
Time: 10.00 a.m.
Venue: Synergy 1, South Tower, Level 5, Wyndham Singapore Hotel, 3 Coleman Street, Singapore 179804

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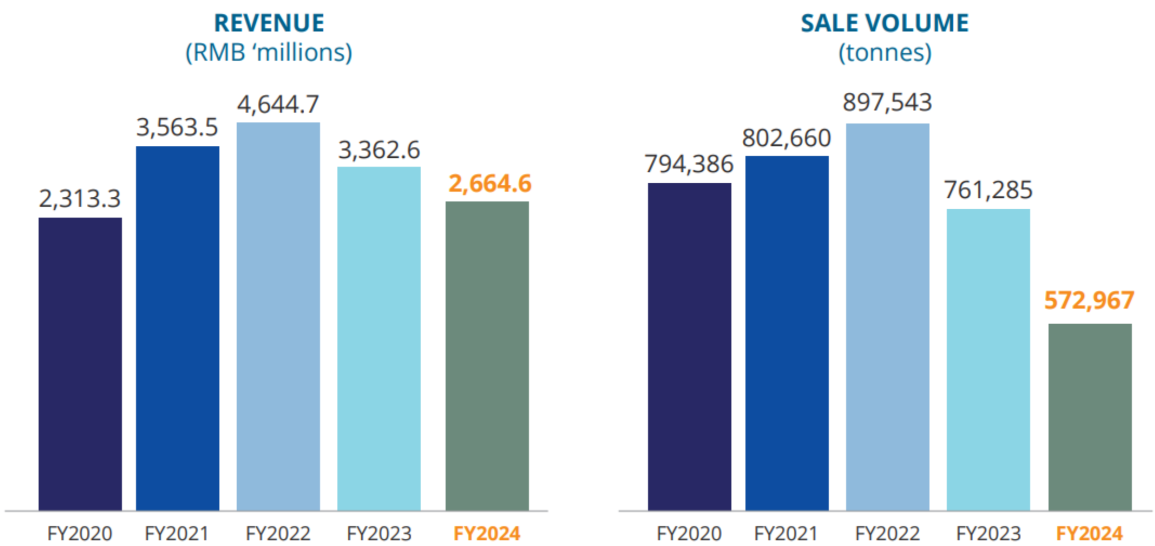
Q1. In FY2024, LPG sales volume declined significantly from 761,285 tonnes to 572,967 tonnes although the group states that it holds approximately 40% market share in the local LPG market in its corporate profile.



(Source: company annual report)

(i) **Can management provide insights into customer behaviour in the LPG segment? Specifically, how price-sensitive are customers, and to what extent is customer retention driven by service reliability, contractual relationships, or pricing?**

(ii) **Did the group maintain its local market share of ~40%?**

(iii) **Given the significant volume decline since FY2022, were there any operational issues that contributed to the contraction?**

Gross profit fell sharply by RMB104.2 million or 74.7%, from RMB139.5 million in FY2023 to RMB35.3 million in FY2024. The group recorded a pre-tax loss of RMB55.2 million and a net loss of RMB69.6 million. Meanwhile, key expenses—including selling and distribution, administrative, and other operating expenses—remained elevated despite the steep drop in sales volume.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Revenue	4	2,664,594	3,362,603
Cost of sales		(2,629,287)	(3,223,072)
Gross profit		35,307	139,531
Other operating income	5	6,363	8,493
Selling and distribution expenses		(54,516)	(63,332)
Administrative expenses		(20,200)	(20,313)
Other operating expenses		(22,126)	(20,089)
(Loss)/Profit from operations		(55,172)	44,290
Finance costs	6	(21,437)	(18,596)
(Loss)/Profit before income tax	7	(76,609)	25,694
Income tax	9	7,052	(6,913)
(Loss)/Profit for the financial year		(69,557)	18,781

(Source: company annual report; emphasis added)

(iv) **Was the collapse in gross margin largely attributable to poor inventory cost control or a failure to anticipate price movements?**

(v) **What steps did management take to better manage costs, and why did "selling and distribution", "administrative", and "other operating" expenses remain high despite a significant drop in sales volume?**

(vi) **Did the board conduct a formal performance review of management in light of the substantial losses? What accountability mechanisms are in place to ensure that underperformance is addressed?**

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Q2. The attendance of directors at board and board committee meetings is shown on page 18 of the annual report.

	Board		AC		NC		RC	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Mr Liang Guo Zhan	2	2	2	2*	1	1*	1	1*
Mr Zhang Jinming	2	2	2	2*	1	1*	1	1*
Mr Limjoco Ross Yu	2	2	2	2	1	1	1	1
Ms Liang Yaling	2	2	2	2	1	1	1	1
Ms Kang Shwu Huey[(1)]	1	1	1	1	0	0	0	0

Mr Liang Guo Zhan	Executive Chairman and Chief Executive Officer ("**CEO**")
Mr Zhang Jinming	Executive Director
Mr Limjoco Ross Yu	Non-Executive and Lead Independent Director
Ms Liang Yaling	Non-Executive Director
Ms Kang Shwu Huey	Non-Executive and Independent Director

(Source: company annual report; emphasis added)

(i) **Can the company let shareholders know if one board meeting was held with just one independent director in attendance, along with one non-executive director and two executive directors? If so, how does the board evaluate the impact on decision-making and independence in such meetings?**

(ii) **Similarly, were certain board committee meetings held with just one independent director in attendance, along with one non-executive director and two executive directors? If key board committee meetings were conducted with minimal independent representation, how were key oversight functions safeguarded?**

(iii) **Does the board consider the current level of independence sufficient to provide effective checks and balances? Has the board conducted a recent board effectiveness review?**

(iv) **Can the company confirm that the two directors do not have any current principal commitments?**

Name	Date of initial appointment	Date of last re-election	Present directorships in other listed companies	Past directorships in other listed companies in preceding three (3) years	Current Principal Commitments
Limjoco Ross Yu	22 April 2021	6 June 2022	Sunpower Group Ltd	• Sen Yue Holdings Limited • CFM Holdings Limited • MH Development Limited • China Supply Chain Holdings Limited	• Anchorage Assurance • Anchorage Consulting Private Limited • Beacon Management Advisory Private Limited • Kim, Limjoco & Associates
Liang Yaling	30 April 2020	6 June 2022	-	-	-
Kang Shwu Huey	25 April 2024	-	-	-	-

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Q3. The company is seeking shareholder approval to renew its share buy-back mandate at the upcoming annual general meeting scheduled for 29 April 2025.

The circular can be found here:
https://links.sgx.com/FileOpen/Ouhua%20-%20SBB%20Circular%20FY2024v2.ashx?App=Announcement&FileID=839414

The company is a Bermuda-incorporated entity, and the share buy-backs are made in according with the Bermuda Companies Act, as well as SGX listing rules. Under the proposed mandate, the company would be authorised to repurchase up to 10% of its total issued shares. As at 17 October 2024, the company had repurchased 2,886,900 shares since the last mandate renewal and holds a total of 10,336,900 treasury shares.

(i) **How does the board determine the price threshold and timing for executing share buy-backs? What are the quantitative and qualitative criteria used (e.g. discount to NAV, liquidity conditions, net borrowings)?**

(ii) **Did the board consider undertaking a fair and transparent equal access offer to all shareholders instead of on-market repurchases?**

(iii) **What are the specific plans for the treasury shares?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on SIAS website

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