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ELL ENVIRONMENTAL HOLDINGS LIMITED

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SFO

This announcement is made by ELL Environmental Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 16 April 2015, the Company entered into a letter of intent (the “**Letter of Intent**”) with Fujian Wuping State-Owned Investment Group Co., Ltd. ** (福建武平國有投資集團有限公司) (“**Fujian Wuping**”, together with the Company, the “**Parties**”) in relation to the proposed acquisition of a wastewater treatment facility, namely Wuping Second Waste Water Treatment Facility ** (武平縣第二污水處理廠)(the “**Wuping Facility**”), by the Group.

Located in Wuping County of Fujian Province, the Wuping Facility primarily treats industrial wastewater containing heavy metals that is discharged from factories operating in Wuping County Yanqian Industrial Concentration District** (武平縣岩前工業集中區). The Wuping Facility is owned and operated by Wuping County Tianquan Water Co., Ltd. (武平縣天泉水務有限公司) (“**Wuping Tianquan**”), a

* For identification purpose only

wholly owned subsidiary of Fujian Wuping. Based on information provided by Fujian Wuping, the current wastewater treatment capacity of the Wuping Facility is 4,000 cubic meters per day. The Company expects to expand such capacity to eventually 10,000 cubic meters per day after the acquisition.

To the best knowledge of the directors of the Company, having made all reasonable enquiries, Fujian Wuping and Wuping Tianquan are third parties that are independent from the Company and from the connected persons of the Company.

Pursuant to the Letter of Intent, it is contemplated that the Group will cooperate with Fujian Wuping in form of a public-private partnership model (or PPP model) by, among other things, (i) acquiring the land use rights and the building ownership of the properties that comprise the Wuping Facility and the concession rights for the operation such facilities and (ii) providing know-how and technology for optimising the operation of the Wuping Facility.

According to the Letter of Intent, the Parties will (i) engage a qualified valuer to conduct a valuation of the Wuping Facility, (ii) commence negotiation, and (iii) procure the entering into of binding and definitive agreement(s) to set out the specific details of the proposed cooperation and acquisition within six months from the date of the Letter of Intent. The Parties also agreed that in the event such binding and definitive agreement(s) are not entered into within the aforesaid timeframe, Fujian Wuping may cooperate and/or enter into similar transactions with other parties.

The Letter of Intent is intended to record certain understanding in principle agreed between the Parties in relation to the aforesaid proposed cooperation and acquisition. If the transactions contemplated under the Letter of Intent is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules.

The above may constitute inside information pursuant to the Inside Information Provisions under Part XIVA of the SFO.

The transactions contemplated under the Letter of Intent may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

*In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the People's Republic of China and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with "***" is for identification purpose only.*

By order of the Board
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

Hong Kong, 16 April 2015

As at the date of this announcement, the Board comprises Mr. Chau On Ta Yuen (Chairman) and Mr. Chan Kwan (Chief Executive Officer) as executive Directors, Mr. Chan Pak Lam Brian and Mr. Chau Chi Yan Benny as non-executive Directors, and Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict as independent non-executive Directors.