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ELL Environmental Holdings Limited

強泰環保控股有限公司 *

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

INSIDE INFORMATION

This announcement is issued by ELL Environmental Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited, and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 30 November 2015, the Group received a letter (the “**Tax Refund Notice**”) from the State Tax Bureau of Rugao City (如皋市國稅局) (the “**Rugao State Tax Bureau**”), confirming that Rugao Honghao Metal Water Treatment Company Limited* (如皋宏皓金屬表面水處理有限公司) (“**Rugao Honghao**”), our indirect wholly owned subsidiary, is entitled to a tax refund of approximately RMB8.1 million (the “**Tax Refund**”).

TAX HOLIDAY PROVISIONS

As set out in the Tax Refund Notice, wastewater treatment providers are entitled to (i) full exemption from income tax on income derived from public wastewater treatment projects for a three year period commencing from the tax year in which such projects began generating operating income, and (ii) a 50% concession from such tax for another three year period, under section 88 of the Enterprise Income Tax Law of the People’s Republic of China* (《中華人民共和國企業所得稅法》) (the “**Tax Holiday Provisions**”).

** For identification purpose only*

RUGAO HONGHAO'S ELIGIBILITY UNDER THE TAX HOLIDAY PROVISIONS

As stated in the Company's interim report dated 21 August 2015, the Group completed the environmental inspection and acceptance procedures and obtained the pollutants discharge permit for the Rugao Honghao Facility, a wastewater treatment facility operated by Rugao Honghao, on 17 July 2015. Since then, the Company had been communicating with the Rugao State Tax Bureau on Rugao Honghao's eligibility under the Tax Holiday Provisions. The Rugao State Tax Bureau confirmed in the Tax Refund Notice that Rugao Honghao is entitled to (a) full exemption on income tax for 2012 (being the tax year in which Rugao Honghao began generating operating income), 2013 and 2014; and (b) 50% concession on its income tax for 2015, 2016 and 2017. The Tax Refund of approximately RMB8.1 million represents all income tax paid by Rugao Honghao for the tax years of 2012, 2013 and 2014.

ACCOUNTING TREATMENT

As at the date of this announcement, the Directors (defined below) confirmed that the Tax Refund has been received by the Group in cash. Based on preliminary assessment by the Company, the Tax Refund is expected to be fully recognized as "other income" for the year ending 31 December 2015 and to have a significant positive effect on the Company's financial results for the year ending 31 December 2015.

The board of Directors (the "**Board**") would like to emphasize that the aforesaid accounting treatment is subject to further review and confirmation by the Board, its audit committee as well as its independent auditor. The Company will only commence its review and audit of the final results for the financial year ending 31 December 2015 in the first quarter of 2016. The Company will make further announcement as and when necessary in due course.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board

ELL Environmental Holdings Limited

Chan Kwan

Executive Director and Chief Executive Officer

Hong Kong, 30 November 2015

As at the date of this announcement, the directors of the Company (the “**Directors**”) are:—

Executive Directors:

Mr. Chau On Ta Yuen (*Chairman*)

Mr. Chan Kwan (*Chief Executive Officer*)

Non-executive Directors:

Mr. Chan Pak Lam Brian

Mr. Chau Chi Yan Benny

Independent Non-executive Directors:

Ms. Ng Chung Yan Linda

Mr. Ng Man Kung

Mr. Sze Yeuk Lung Benedict