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ELL ENVIRONMENTAL HOLDINGS LIMITED

強泰環保控股有限公司*

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 1395)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by ELL Environmental Holdings Limited (“**the Company**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that in the morning of 4 December 2014, a fire accident (the “**Fire Accident**”) occurred on the first floor of the wastewater treatment facility (the “**Rugao Honghao Facility**”) operated by 如皋宏皓金屬表面水處理有限公司 (Rugao Honghao Metal Water Treatment Company Limited) (“**Rugao Honghao**”), a wholly-owned subsidiary of the Company. The fire was extinguished within two hours on the same day.

Based on preliminary investigation by the management of the Company, the Fire Accident was caused accidentally by sparks from certain welding works carried out by independent third party contractors during the maintenance of the Rugao Honghao Facility. Immediate actions were taken to vacate the staff from the affected buildings and the local fire department was notified to extinguish the fire. No staff member of Rugao Honghao was injured in the process.

Based on the management’s preliminary assessment, the Fire Accident damaged part of the machineries and equipment required for the wastewater treatment operations at the Rugao Honghao Facility. Accordingly, Rugao Honghao has temporarily suspended its wastewater treatment operations pending the completion of (i) damage assessment, (ii) repair, and (iii) inspection by the relevant local authorities. The Company will make further announcement on the expected date of resumption of operations of the Rugao Honghao Facility as soon as practicable.

The Company has already notified its insurance company to assess the damages and will make further announcement as soon as such assessment is completed.

In light of the Fire Accident and the suspended operations of the Rugao Honghao Facility, Rugao Honghao is discussing with Rugao Economic and Technological Development Zone Administrative Committee, its sole customer, to come up with appropriate contingency plans to minimise the disruption caused to the wastewater treatment service supply in the Rugao Economic and Technological Development Zone. The Company is also reviewing and adopting measures to further improve the fire prevention policies and emergency procedures for its operations.

The Board and management of the Company are still reviewing the financial impact of the Fire Accident on the Company. Pending the completion of the aforementioned assessments and discussions, the Company is not in a position to quantify the exact amount of financial loss that is expected to result from the Fire Accident. However, based on the Company's own preliminary findings, it does not expect the Fire Accident to have any material impact on its operational and financial results. The Company will further update the Shareholders and potential investors on the related developments as soon as practicable upon completion of the aforementioned assessments and discussions.

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

Hong Kong, 4 December 2014

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.

** For identification purpose only*