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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)

PROFIT WARNING

This announcement is made by ELL Environmental Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the disclosure requirement as stated in the Company’s prospectus dated 12 September 2014 (the “**Prospectus**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Cap.571 of the Laws of Hong Kong).

As stated in the Prospectus, the Company expects to issue a profit warning announcement as soon as practicable after the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing**”) as a result of the material adverse changes disclosed in the Prospectus.

As disclosed in the Prospectus, the Group’s profit attributable to owners of the parent decreased significantly in the five months ended 31 May 2014 as compared to the five months ended 31 May 2013, primarily due to a substantial increase in administrative expenses attributable to the professional fees incurred in connection with the Listing. The audited financial statements of the Group for the five months ended 31 May 2014 and the relevant analysis are disclosed in the Prospectus.

* *For identification purpose only*

Based on the review of the unaudited consolidated management accounts of the Group, the Group recorded a significant decrease in profit for the six months ended 30 June 2014 as compared to the six months ended 30 June 2013 primarily attributable to the aforesaid professional fees. The interim report of the Group for the six months ended 30 June 2014 is expected to be published on the respective websites of The Stock Exchange of Hong Kong Limited and the Company on 29 September 2014.

It is disclosed in the Prospectus that (i) the upgrade works being and expected to be carried out for certain of our wastewater treatment facilities, (ii) the incurrence of listing expenses and (iii) the hiring of new staff in the Hong Kong office and payment of director fees to our directors, are expected to lead to a significant decline in the Group's profit and profit margins for the year ending 31 December 2014 as compared to the year ended 31 December 2013. The board of directors of the Company (the "**Board**") is of the opinion that there is no fundamental deterioration in the commercial and operational viability in the Group's business. For details, please refer to the section headed "Summary — Material Adverse Change" in the Prospectus.

Shareholders and potential investors of the Company are advised to 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, 29 September 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 as independent non-executive directors.