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POLYTEC ASSET HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 208)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board would like to inform the shareholders of the Company and potential investors that based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the five months ended 31 May 2014 and the information available for the time being, the Group expects to record a substantial decrease in the amount of net profit for the six months ended 30 June 2014 mainly attributable to the substantial decrease in the revaluation gains from the Group's investment properties as compared to that for the corresponding period in 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the "**Board**") of Polytec Asset Holdings Limited (the "**Company**" together with its subsidiaries, the "**Group**") makes this announcement pursuant to 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 under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**").

The Board would like to inform the shareholders of the Company and potential investors that based on the preliminary review of the Group's currently available unaudited consolidated management accounts for the five months ended 31 May 2014 and the information available for the time being, the Group expects to record a substantial decrease in the amount of net profit for the six months ended 30 June 2014 as compared to that for the corresponding period in 2013. Such expected decline is mainly attributable to the substantial decrease in the revaluation gains from the Group's investment properties for the six months ended 30 June 2014 as compared to that for the corresponding period in 2013.

Further, the Board would like to inform that the normal crude oil production of South Alibek Oilfield of Caspi Neft TME, a wholly-owned subsidiary of the Company, in Kazakhstan is still remaining temporarily suspended due to the application of gas flaring permit is still pending for the approval from the Kazakhstan Government; and as a result, a loss from the oil exploration and production activities of the Group for the first half of 2014 is anticipated and consequently, the results of the Group for the first half of 2014 has been adversely affected.

The Company is still in the process of finalising the interim results of the Group for six months ended 30 June 2014. The interim results announcement of the Company for the six months ended 30 June 2014 is expected to be released in August 2014. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group up to 31 May 2014, which is not based on any figures or information which have been confirmed or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Polytec Asset Holdings Limited
Or Wai Sheun
Chairman

Hong Kong, 25 July 2014

As at the date of this announcement, Mr. Or Wai Sheun (Chairman), Mr. Yeung Kwok Kwong, Ms. Wong Yuk Ching and Ms. Chio Koc Ieng are executive directors of the Company, Mr. Lai Ka Fai and Ms. Or Pui Ying, Peranza are non-executive directors of the Company and Mr. Liu Kwong Sang, Mr. Siu Leung Yau, Dr. Tsui Wai Ling, Carlye and Prof. Dr. Teo Geok Tien Maurice are independent non-executive directors of the Company.