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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)**

### **PROFIT WARNING**

This announcement is made by ELL Environmental Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the six months ended 30 June 2017 (“**HY2017**”), the Group is expected to record a net loss of not less than HK\$6.0 million for HY2017 as compared with a net profit of approximately HK\$4.5 million for the six months ended 30 June 2016 (“**HY2016**”). The Board believes that the net loss for HY2017 was mainly attributed to:

- (i) the absence of construction profit in HY2017 as a result of the completion of the recognition of construction costs of the upgrade works in the wastewater treatment facility operated by Rugao Hengfa Water Treatment Company Limited, a wholly-owned subsidiary of the Company, prior to 2017. Such construction profit of approximately HK\$4.3 million was recorded in HY2016; and

\* *For identification purpose only*

- (ii) a net loss of not less than HK\$6.0 million incurred by the biomass power plant in Indonesia operated by PT Rimba Palma Sejahtera Lestari, a 95%-owned subsidiary of the Company, as a result of the low market consumption for electricity in HY2017.

The information contained in this announcement is based solely on a preliminary assessment by the Board with reference to the Management Accounts for HY2017 along with any information currently available to the Company, which have neither been audited nor reviewed by the Company's auditors or the audit committee of the Company. Further details of the Group's financial results and performance will be disclosed in the interim results announcement of the Company for HY2017, which is expected to be published on 25 August 2017. The related interim report for HY2017 will be published subsequently.

**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**  
**Chau On Ta Yuen**  
*Chairman*

Hong Kong, 18 August 2017

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