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YUESHOU ENVIRONMENTAL HOLDINGS LIMITED
粵首環保控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 1191)

PROFIT WARNING ANNOUNCEMENT
INSIDE INFORMATION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules and Inside Information Provisions under XIVA of the SFO.

The Board wishes to inform potential investors and shareholders of the Company that it is expected that the Group will record a significant increase in loss attributable to owners of the Company for the year ended 31 July 2014, as compared with that for the year ended 31 July 2013.

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

This announcement is made by Yueshou Environmental Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (“**SFO**”).

Reference to the interim report for the six months ended 31 January 2014, the investment in associates (“**Associates**”) has been reclassified to available-for-sale financial assets (“**AFS financial assets**”) in the view of the loss of significant influence over the Associates.

Further to the announcements dated 4 July 2014, the board of directors of the Company (the “**Board**”) wishes to inform potential investors and shareholders of the Company that in view of the unforeseen difficulty encountered with the current management and administration in relation to the AFS financial assets (being the former Associates in the Philippines up to the period ended 31 January 2014), the Board considers it is highly likely that an impairment on the value of the AFS financial assets would be further made for the year ended 31 July 2014 (“**Final 2014**”).

As a result, the Company sought an independent legal opinion and it is highly likely that the Company would make a further impairment in AFS financial assets in the amount of approximately HK\$55,777,000 as mentioned above (on top of the impairment loss recognised in amounts due from associates of HK\$ 46,802,000 made for the six months period ended 31 January 2014), compared with that for the year ended 31 July 2013.

Investors and shareholders of the Company are advised to note that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, unaudited consolidated management accounts of the Group and that the actual results for the Group may be different from what is disclosed in this announcement. The Final 2014 results have not been finalized as at the date of this announcement. The results announcement of the Company for Final 2014 is expected to be released on or before 10 October 2014. Shareholders and investors are advised to refer to the results announcement carefully when it is issued.

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

By order of the Board
Yueshou Environmental Holdings Limited
LEUNG Wai Shun Wilson
Director

Hong Kong, 23 September 2014

As at the date of this announcement, the Board comprises Mr. Leung Wai Shun Wilson, Mr. Tse Yuk Kong, Mr. Yang Zijiang and Mr. Ng Chi Lung as Executive Directors and Mr. Sai Chun Yu, Dr. Chiao Li, Mr. Wu Shiming, Mr. Lin Chaofan and Ms. Deng Chunmei as Independent Non-executive Directors.