

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) of South West Eco Development Limited (西南環保發展有限公司) (the “Company”) dated 30 November 2012.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares or other securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

SOUTH WEST ECO DEVELOPMENT LIMITED
西南環保發展有限公司

(Incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 75,000,000 Placing Shares (subject to
Offer Size Adjustment Option)
Placing Price : Not more than HK\$0.93 per Placing
Share and expected to be not less than
HK\$0.65 per Placing Share (payable in
full on application, plus brokerage fee of
1%, SFC transaction levy of 0.003% and
Stock Exchange trading fee of 0.005%)
Nominal value : HK\$0.1 each
Stock code : 8291

Sole Sponsor



Haitong International Capital Limited

Joint Bookrunners and Joint Lead Managers

(in alphabetical order)



中国平安證券(香港)
PING AN OF CHINA SECURITIES (HONG KONG)

Printed copies of this prospectus are available, for information purposes only, at the office of the following parties involved in the Placing during normal office hours from 9:00 a.m. to 5:00 p.m. from 30 November 2012 up to and including 7 December 2012:

Cinda International Securities Limited
45/F COSCO Tower
183 Queen's Road Central
Hong Kong

Orient Securities Limited
Rooms 2801-2804 28/F
Dah Sing Financial Centre
108 Gloucester Road
Wan Chai Hong Kong

Ping An of China Securities (Hong Kong) Company Limited
28/F 169 Electric Road
North Point
Hong Kong

Pursuant to the Underwriting Agreement, the Company is offering 75,000,000 Placing Shares for subscription by way of Placing at the Placing Price on and subject to the terms and conditions set out in the Underwriting Agreement and the Prospectus. It is expected that the Joint Bookrunners or agents nominated by them, on behalf of the Company, will conditionally place up to 75,000,000 Placing Shares at the Placing Price to professional, institutional, private and other investors.

Application has been made to the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Shares in issue, the 75,000,000 new Shares to be issued pursuant to the Placing and any new Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme or as otherwise described in the Prospectus.

Applications for the Placing Shares will only be considered on the basis of the terms and conditions of the Prospectus.

In connection with the Placing, the Company will grant to the Joint Lead Managers the Offer Size Adjustment Option, which is exercisable by the Joint Lead Managers (for themselves and on behalf of the Underwriters) prior to the Listing Date, in writing, to require the Company to allot and issue up to 11,250,000 additional new Shares at the Placing Price, representing 15% of the total number of Shares initially available for subscription under the Placing.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Joint Lead Managers to cover any excess demand in the Placing at their absolute discretion and is not associated with any price stabilization activities of the Shares in the secondary market after the Listing and will not be subject to the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong).

The Placing is conditional upon the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Placing” in the section headed “Structure and conditions of the Placing” in the Prospectus. If such conditions are not fulfilled or (where applicable) waived in accordance with the terms and conditions of the Underwriting Agreement on or before the dates and times as specified therein, the Placing will lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkgem.com and the Company’s website at www.southwesteco.com on the next Business Day following such lapse.

Investors should note that the Joint Lead Managers (for themselves and on behalf of the Underwriters) are, among others, entitled to terminate their obligations under the Underwriting Agreement by notice in writing to the Company given by the Lead Managers (for themselves and on behalf of the Underwriters) upon the occurrence of any of the events set forth under the paragraph headed “Grounds for Termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

The Placing Price per Placing Share will not be more than HK\$0.93 and is expected to be not less than HK\$0.65.

The Placing Price is expected to be fixed by a price determination agreement between the Lead Managers (for themselves and on behalf of the Underwriters) and the Company on the Price Determination Date, which is currently scheduled to be on or about 7 December 2012, or such later date as the parties may agree.

If, for whatever reason, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Placing Price by the Price Determination Date or such later date as may be agreed between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Company or the Underwriting Agreement is not signed, the Placing will not become unconditional and will lapse. In such event, the Company will issue an announcement to be published on the GEM website at www.hkgem.com and the Company’s website at www.southwesteco.com.

No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title. Share certificates will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

The announcement of the final Placing Price and the level of indication of interest in the Placing will be published on the GEM website at www.hkgem.com and the Company's website at www.southwesteco.com on or before 13 December 2012.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on GEM as mentioned in the Prospectus and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

Dealings in the Shares on the GEM are expected to commence at 9:00 a.m. on 14 December 2012. The Shares will be traded in board lots of 4,000 each. The stock code is 8291.

By Order of the Board
South West Eco Development Limited
Dr. Lee Kai Hung
Chairman and Executive Director

Hong Kong, 30 November 2012

As at the date of this announcement, the executive Directors are Dr. Lee Kai Hung, Ms. Chan Koon Woon, Dr. Eick Lee Tse Ching, Elaine, and Mr. Cheng Bun; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading. All opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the GEM website at www.hkgem.com and, in the case of the announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.southwesteco.com