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South West Eco Development Limited
西南環保發展有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8291)

POSITIVE PROFIT ALERT

This announcement is made by South West Eco Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a substantial increase in its net profits attributable to owners of the Company for the three months period ended 31 March 2013 (the “**Record Period**”) as compared to the corresponding period for the three months ended 31 March 2012. Such increase was mainly attributable to the significant increase in the gross floor area sold and delivered to purchasers of Fond England (a green residential development of the Group in Nanning, the People’s Republic of China) during the Record Period.

The Company is still in the process of finalising its unaudited consolidated management accounts for the Record Period. The information contained in this announcement is based only on the preliminary assessment by the management of the Company of the information currently available to the Company and is not based on any figures or information which have been finalised or audited. Shareholders and potential investors are advised to refer to the details of the Group’s financial results for the Record Period, which is expected to be published on or about 13 May 2013.

As the Group derives its revenue principally from the sales of its properties, the Group's results of operation and net profits may fluctuate or vary significantly from period to period due to a combination of factors (including but not limited to the overall development schedule and the timing of sales of properties that it has developed). **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board
South West Eco Development Limited
Lee Kai Hung
Chairman

Hong Kong, 9 May 2013

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

This announcement, for which the directors (the "Directors") of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.southwesteco.com