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**DONGJIANG ENVIRONMENTAL COMPANY LIMITED\***

**東江環保股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China)*  
**(Stock code: 00895)**

**OVERSEAS REGULATORY ANNOUNCEMENT  
INSIDE INFORMATION**

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The document attached hereof is the announcement of the “Resolutions Passed at the 19th Meeting of the 5th Session of the Board of Directors” posted on the website of Shenzhen Stock Exchange by Dongjiang Environmental Company Limited\*.

The aforesaid announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

By order of the Board  
**Dongjiang Environmental Company Limited\***  
**Zhang Wei Yang**  
*Chairman*

Shenzhen, the People's Republic of China, 26 March 2015

*As at the date of this announcement, the board of directors (the “Directors”) of the Company comprises three executive Directors, being Mr. Zhang Wei Yang, Mr. Chen Shu Sheng and Mr. Li Yong Peng; two non-executive Directors, being Mr. Feng Tao and Ms. Sun Ji Ping; and three independent non-executive Directors, being Mr. Wong Hin Wing, Mr. Qu Jiu Hui and Mr. Su Qi Yun.*

*\* For identification purpose only*

**DONGJIANG ENVIRONMENTAL COMPANY LIMITED**  
**ANNOUNCEMENT**  
**RESOLUTIONS PASSED AT THE 19TH MEETING OF THE 5TH**  
**SESSION OF THE BOARD OF DIRECTORS**

The Company and its board of directors confirm the truthfulness, accuracy and completeness of the information disclosed, and that there is no false statement, misleading representation or material omission.

**I. Board meeting convened**

The 19th meeting of the 5th session of the board of directors of Dongjiang Environmental Company Limited (hereinafter referred to as the “Company”) was held by a combination of attendance in person and telephone conference at Dongjiang Environmental Building, No. 9 Langshan Road, North Zone of Hi-tech Industrial Development Zone, Nanshan District, Shenzhen City, Guangdong Province on 26 March 2015 (the “Meeting”). The notice of the Meeting was sent by e-mail on 11 March 2015. Eight out of eight eligible directors attended the Meeting. The Meeting was in compliance with the requirements of Company Law of the People’s Republic of China and the articles of association of the Company. The Meeting was convened and presided by Mr. Zhang Wei Yang, the chairman of the board of directors of the Company. Some of the supervisors and senior officers of the Company also attended the Meeting.

**II. Resolutions considered at the Board Meeting**

The following resolutions have been considered by all the directors and approved by way of poll:

**(1) The Resolution on 2014 Annual Report, Summary and Annual Result Announcement of the Company**

8 votes in favor, 0 vote abstained and 0 vote against.

Please refer to Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)) for the details of the 2014 annual report of the Company (the “2014 Annual Report”) and its summary. Meanwhile, the summary of the 2014 Annual Report of the Company is published on Securities Times, China Securities Journal, Securities News and Securities Daily.

This resolution will be put forward to the 2014 annual general meeting of the Company for

consideration.

**(2) The Resolution on the 2014 Annual Work Report of the Board of the Company**

8 votes in favor, 0 vote abstained and 0 vote against.

Please refer to "Section IV Directors' Report" in the 2014 Annual Report for details.

Mr. Wang Ji De, Mr. Ye Ru Tang, Mr. Hao Ji Ming, Mr. Wong Hin Wing and Mr. Qu Jiu Hui, the independent directors of the Company has each submitted the “2014 Annual Work Report of Independent Directors” to the Board, and will report their work at the 2014 annual general meeting of the Company. Please refer to Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)), the designated website for information disclosure for details.

This resolution will be put forward to the 2014 annual general meeting of the Company for consideration.

**(3) The Resolution on the 2014 Annual Work Report of President**

8 votes in favor, 0 vote abstained and 0 vote against.

**(4) The Resolution on the 2014 Annual Financial Account Report**

8 votes in favor, 0 vote abstained and 0 vote against.

For the details of “2014 Annual Financial Account Report”, please refer to Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)), the designated website for information disclosure of the Company.

This resolution will be put forward to the 2014 annual general meeting of the Company for consideration.

**(5) The Resolution on the 2015 Annual Financial Budget Report of the Company**

8 votes in favor, 0 vote abstained and 0 vote against.

For the details of the “2015 Annual Financial Budget Report”, please refer to Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)), the designated website for information disclosure of the Company.

This resolution will be put forward to the 2014 annual general meeting of the Company for consideration.

**(6) 2014 Annual Profit Distribution Plan of the Company**

8 votes in favor, 0 vote abstained and 0 vote against.

On 20 March 2015, the Company received the “Proposal and Commitment on Profit Distribution Plan of Dongjiang Environment Company Limited for 2014” submitted to the board of directors of the Company (the “Board”) by Mr. Zhang Wei Yang, the controlling shareholder, the actual controller and the chairman of the Board, based on the positive expectation for the future development of Dongjiang Environmental, and having a comprehensive consideration of the profit level, the overall financial condition and the future potential development of Dongjiang Environmental, and in order to pay back all the shareholders, share the operating results of Dongjiang Environmental with all the shareholders and increase the liquidity of the shares of Dongjiang Environmental, Mr. Zhang Wei Yang, the controlling shareholder, the actual controller and the chairman of the Board proposed the distribution plan of Dongjiang Environmental for 2014 as follows: on the basis of the total number of shares on the registration date when the plan is implemented in the future, the Company will declare cash dividend of RMB 1.50 (including taxes) for every 10 existing shares held by all shareholders and increase the shares on the basis of 15 shares for every 10 existing shares held by all shareholders by way of capitalisation of capital reserves. Please refer to Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)) for the details of Announcement on Profit Distribution Plan for 2014 of the Company (ann: No.2015-18), which published on 21 March 2015.

It is confirmed by the standard and unqualified auditors' report issued by ShineWing Certified Public Accountants(special general partnership), the net profit attributable to the parent company for the year 2014 amounted to RMB251,610,695.08; according to the provisions of the Company Law and the Articles of Association, the statutory surplus reserve, which was withdrawn on the basis of 10% of the net profit, amounted to RMB22,496,612.58; the profits of the parent company available for distribution to the shareholders by the end of 2014 amounted to RMB1,121,146,750.68.

Given that Wu Xu Zhong, a participant of the Restricted Share Incentive Scheme, has resigned, according to relevant provisions of 2013 Restricted Share Incentive Scheme of Dongjiang Environmental Company Limited (Amendment on Draft), Wu Xu Zhong was disqualified as a participant; and the Company intended to repurchase and cancel his granted but unlocked 30,000 restricted shares in recent days. Accordingly, such shares are not entitled to profit distribution.

Therefore, after withdrawing the statutory surplus reserve and deducting the number of the said shares (i.e. 347,806,841) from the total number of existing shares (i.e. 347,836,841), the Company will distribute a cash dividend of RMB1.50 (including taxes) to all shareholders for every 10 shares they hold. The total cash dividend to be distributed will be RMB52,171,026.15. The remaining

distributable profits can be carried forward. And meanwhile, the Company will, based on the total number of 347,806,841 shares, increase 15 shares for every 10 existing shares held by all shareholders. The total number of shares increased is 521,710,261 shares. Upon the increase of shares by way of capitalization of capital reserve, the total number of shares of the Company become 869,517,102.

If there is any change to the total shares of the Company due to the conversion of convertible bonds and repurchase of shares prior to the implementation of profit distribution plan, the Company shall make the distribution according to the percentage share of the latest total shares based on the perpetual principle of “conversion of capital reserves by the total amount of cash dividend, total amount of share capital increased from capital reserves” approved and determined at the general meeting.

The Board believes that, the profit distribution plan complies with relevant provisions of the Notice on Further Carrying Out Relevant Matters in relation to Cash Dividends of Listed Companies, the Guidance on Supervision of Listed Company No. 3 -- Cash Dividends of Listed Companies and the Articles of Association on dividends; complies with the provisions and requirements of the Company's Plan for “Paying Back Shareholders in Coming Three Years (2012-2014)” ; and agrees to submit the resolution above to the 2014 annual general meeting of the Company for consideration.

Mr. Zhang Wei Yang, the controlling shareholder, the actual controller and the chairman of the Board hereby undertakes that he will vote in favour of the aforesaid proposal on the profit distribution plan for 2014 when it is considered and reviewed at the Board meeting and the 2014 annual general meeting of the Company.

The independent directors and the board of supervisors have issued independent opinions on such matters. Please see Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)), the designated website for the information disclosure of the Company, for details.

This resolution will be put forward to the 2014 annual general meeting of the Company for consideration.

**(7) The Resolution on 2014 Annual Evaluation Report of the Company on Internal Control**

8 votes in favor, 0 vote abstained and 0 vote against.

The Board of Supervisors, independent directors and the sponsor institution have issued independent opinions on this resolution. Please see Ju Chao Information Web (巨潮資訊

網)(www.cninfo.com.cn), the designated website for the information disclosure of the Company, for details.

For the details of 2014 Annual Evaluation Report on Internal Control, please see Ju Chao Information Web (巨潮資訊網)(www.cninfo.com.cn), the designated website for the information disclosure of the Company.

**(8) The Resolution on the Special Report on Deposit and Use of Proceeds in 2014**

8 votes in favor, 0 vote abstained and 0 vote against.

The Board of Supervisors, independent directors and the sponsor institution have issued independent opinions on this resolution. Please see Ju Chao Information Web (巨潮資訊網)(www.cninfo.com.cn) for details.

Please see Ju Chao Information Web (巨潮資訊網)(www.cninfo.com.cn), the designated website for information disclosure of the Company for the details of Special Report on Deposit and Use of Proceeds in 2014 and the Certification Report on Deposit and Use of Proceeds in 2014.

**(9) The Resolution on Consideration of Matters in Relation to the H Shares Annual Report**

8 votes in favor, 0 vote abstained and 0 vote against.

**(10) The Resolution on Further Appointment of Financial Auditors of the Company in 2015.**

8 votes in favor, 0 vote abstained and 0 vote against.

ShineWing Certified Public Accountants (hereinafter referred to as "ShineWing"), as the financial auditing institution for the audit work of the Company in 2014, worked diligently, dedicatedly and meticulously in the course of audit. It has issued an auditors' report for the Company that fairly and objectively presents the financial position and operating results of the Company. The Board agrees to further appoint ShineWing as the financial auditing institution of the Company in 2015, and submits to the general meeting to authorize the management of the Company to determine its remuneration.

This resolution will be put forward to the 2014 annual general meeting of the Company for consideration.

**(11) The Resolution on Provisions for Assets Impairment**

8 votes in favor, 0 vote abstained and 0 vote against.

According to the requirement of Accounting Standards for Business Enterprises, and together with

the actual operation condition of the Company, it is agreed for the current year: write-off bad debt provision of RMB 2,212,624.85, write-off inventory provision of RMB3,496,565.20, fixed assets impairment loss provision of RMB18,724,861.91, impairment loss of intangible assets of BOT project provision of RMB27,532,216.34, goodwill impairment loss provision of RMB6,600,000.00, other assets impairment loss provision of RMB573,156.82, assets impairment loss provision for each of the item above of RMB47,721,045.02. The Board considers that each asset impairment loss provision is satisfied with the requirement of Accounting Standards for Business Enterprises.

**(12) The Resolution on Acquisition of and Capital Increase in Hubei Tianyin Circulation Economic Development Co., Ltd.**

8 votes in favor, 0 vote abstained and 0 vote against.

It was agreed to acquire 60% equity rights of Hubei Tianyin Circulation Economic Development Co., Ltd. (湖北天銀循環經濟發展有限公司)(hereinafter referred to as “Hubei Tianyin”) and increase the capital of Hubei Tianyin by the Company’s internal own funds at the consideration of RMB 73.50 million, among which, the Company will acquire 51% equity rights of Hubei Tianyin at the consideration of RMB51 million, and make capital increase to Hubei Tianyin with RMB22.5 million (RMB8.955 million will be the registered capital and RMB13.545 million will be included in its capital reserve) to acquire its 9% equity rights. Upon completion of the above acquisition and capital increase, the Company and Xuzhitao will own 60% and 40% equity rights in Hubei Tianyin respectively. The Equity Transfer and Capital Increase Agreement be effective on the date of signature.

Please see Ju Chao Information Web (巨潮資訊網)([www.cninfo.com.cn](http://www.cninfo.com.cn)), the designated website for information disclosure of the Company, for the details of the Notice on Acquisition in Equity Interest in and Capital Increase of Hubei Tianyin Circulation Economic Development Co., Ltd.

**(13) The Resolution on Unlocking of the Company's Restricted Incentive Share Plan in the First Unlocking Period**

8 votes in favor, 0 vote abstained and 0 vote against.

The Board believes that the conditions for the first vesting of restricted shares defined in the 2013 Restricted Incentive Share Plan of Dongjiang Environmental Company Limited (Revision to Draft) of the Company have been satisfied. According to the authorization from the 2014 the first extraordinary general meeting, 2014 the first A share shareholders' meeting and 2014 the first H share shareholders' meeting, it is agreed that the Company to handle the matters in relation to the first unlocking period according to the provisions of relevant incentive plan. Meanwhile, given the

resignation of Wu Xu Zhong (吳徐忠), a participant of the restrictive shares scheme, according to the relevant requirements under “2013 Restrictive Shares Scheme of Dongjiang Environmental Company Limited (amendment)”, the Board considers that Wu Xu Zhong is no longer eligible for the restricted shares scheme. The Company has recently proposed to repurchase and cancel the 30,000 restrictive shares granted to him but not yet unlocked.

The Board of Supervisors, independent directors and the lawyers of the Company have issued independent opinions on this resolution. Please see Ju Chao Information Web (巨潮資訊網)(www.cninfo.com.cn) for details.

Please see Ju Chao Information Web (巨潮資訊網)(www.cninfo.com.cn), the designated web for information disclosure of the Company, for the details of the Notice on the Satisfaction of the Conditions to Unlock the Restricted Incentive Shares (the First Unlocking Period).

#### **(14) The Resolution on Adjustment of the Organisational Structure**

8 votes in favor, 0 vote abstained and 0 vote against.

According to the strategic development and the demands of operation and management of the Company, it was agreed to make adjustments to the organisational structure. The adjustments are made in compliance with the following principles: to integrate resources and improve efficiency; to stand out the development strategies of the Company and enhance the functions of management; to exert the synergistic effect and control the reasonable span of management.

#### **(15) The Resolution on Applying for Comprehensive Credit Granting with ICBC**

8 votes in favor, 0 vote abstained and 0 vote against.

It was agreed that the Company proposes to apply for a comprehensive credit facility of not exceeding RMB150 million with a term of 12 months to Industrial and Commercial Bank of China Ltd., Shenzhen Gaoxinyuan Branch. The Guarantee type for the facility: Credit.

The detailed facility approved, term, interest rate and expenses rate are subject to the approval from the bank. To authorise Zhang Weiyang, the chairman of board of the Company, or its authorised person to sign relevant documents. Now the resolution is proposed for consideration and approval by the Board.

### **III. Document available for inspection**

Resolution of the 19th meeting of the 5th session of the board of directors of the Company.



Notice is hereby given.

Board of directors  
Dongjiang Environmental Company Limited  
27 March 2015