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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

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, Laws of Hong Kong). The document attached hereof is the announcement posted on the website of Shenzhen Stock Exchange by Dongjiang Environmental Company Limited* (the “Company”, together with its subsidiaries, the “Group”) in relation to “Announcement on Preliminary Annual Results for the Year 2016”.

By order of the Board

Dongjiang Environmental Company Limited*

Liu Ren

Chairman

Shenzhen, the PRC, 27 February 2017

As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors, being Mr. Liu Ren, Mr. Chen Shu Sheng and Mr. Li Yong Peng; three non-executive Directors, being Mr. Liu Boren, Mr. Deng Qian and Mr. Huang Yiming; and three independent non-executive Directors, being Mr. Wong Hin Wing, Mr. Qu Jiu Hui and Mr. Zhu Zhengfu.

**For identification purpose only*

DONGJIANG ENVIRONMENTAL COMPANY LIMITED

Announcement on Preliminary Annual Results for the Year 2016

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

Special Notice:

Annual financial data for the year 2016 (the “Reporting Period”) contained in this announcement is only preliminary financial data that reviewed by the internal audit department of the Company but has not been audited by the Company’s auditors. There may be discrepancies between information contained herein and the final data to be disclosed in the annual report. Investors are advised to beware of the investment risks.

I. Major Financial Data and Indicators for the Year 2016

Unit: Renminbi (RMB)

Item	The Reporting Period	The same period last year	Change (%)
Total operating revenue	2,610,781,901.85	2,402,986,382.18	8.65%
Operating profit	547,628,413.86	361,970,855.40	51.29%
Total profit	636,517,324.61	449,353,054.71	41.65%
Net profit attributable to shareholders of the Company	503,196,970.73	332,534,009.33	51.32%
Basic earnings per share (in RMB)	0.59	0.39	51.28%
Weighted average return on net assets	16.83%	12.78%	4.05%
	As at the end of the Reporting Period	As at the beginning of the Reporting Period	Change (%)
Total assets	8,149,759,458.32	6,685,217,204.54	21.91%
Owners’ equity attributable to shareholders of the Company	3,260,603,730.24	2,753,159,779.70	18.43%
Share capital	887,152,102	869,382,102	2.04%
Net assets per share attributable to shareholders of the Company (in RMB)	3.68	3.17	16.09%

Note: The above data is prepared based on the consolidated statements of the Company.

II. Discussion of Operating Results and Financial Position

During the Reporting Period, total revenue of the Company was approximately RMB2,610,781,900, increased by approximately 8.65% as compared to the same period of last year; the total operating profit amounted to approximately RMB547,628,400, increased by approximately 51.29% as compared to the same period of last year; the Company's net profit attributable to shareholders of the Company amounted to approximately RMB503,197,000, representing an increase of approximately 51.32% as compared to the same period last year.

As at the end of the Reporting Period, the Company's financial position was healthy with total assets of approximately RMB8,149,759,500, representing an increase of approximately 21.91% as compared to the beginning of the Reporting Period; its owners' equity attributable to shareholders of the Company was approximately RMB3,260,603,700, representing an increase of approximately 18.43% as compared to the beginning of the Reporting Period. The main reasons of the result change are as follows:

The Company has fully implemented the development strategy of the Company through adjustment of the business structure, concentration on the development of major business, actively expanding the market, substantially increase the neutralization treatment of the industrial solid wastes and the market shares of the municipal waste treatment business, substantially carrying out the producing activities of energy-saving and cost-reducing, strengthening the comprehensive budget management and controlling the production cost effectively. During the Reporting Period, the Company achieved a total operating revenue of RMB2,610,781,900, which increased by 8.65% as compared with the corresponding period of last year, and a net profit attributable to shareholders of the Company amounted to approximately RMB503,197,000, representing an increase of approximately 51.32% as compared to the same period last year. The net profit attributable to shareholders of the Company mentioned above includes the investment income for disposing the 100% equity of two wholly-owned subsidiaries of the Company during the Reporting Period.

III. Discussion of Differences with Previously Disclosed Results Forecast

The operating results disclosed in this announcement does not show major difference with the results forecast in the 2016 Third Quarterly Report, which has been issued on the designated information disclosure website of the Company on 31 October 2016.

IV. Documents Available for Inspection

1. The comparative balance sheet and profit and loss statements signed by the legal representative, chief financial officer, and head of financial section of the Company, and stamped with the corporate seal;
2. The internal audit report signed by the head of the internal audit department.

Notice is hereby given.

The Board of Directors of
Dongjiang Environmental Company Limited

28 February 2017