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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)

POSITIVE PROFIT ALERT

This announcement is made by Dongjiang Environmental Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the Group expects to record an increase of approximately 51.32% in net profit attributable to the Shareholders and an increase of approximately 8.65% in total operating revenue for the year ended 31 December 2016 (the “**Reporting Period**”) as compared to those for the year ended 31 December 2015. The increases in net profit attributable to the Shareholders and total operating revenue are primarily attributable to the following factors:

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 the Shareholders 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 the Shareholders mentioned above includes the investment income for disposing the 100% equity of two wholly-owned subsidiaries of the Company during the Reporting Period.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2016 and the related audit work has not been completed. The information contained in this announcement is based on a preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 and the information currently available, which has not been confirmed or audited by the Company's independent auditors. The actual results of the Group may be different from what is disclosed in this announcement. The Shareholders and investors should read carefully the results announcement of the Company for the year ended 31 December 2016, which is expected to be published on 29 March 2017.

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

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*