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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)

UNAUDITED PRELIMINARY FINANCIAL DATA FOR THE YEAR ENDED 31 DECEMBER 2019

This announcement is made by Dongjiang Environmental Company Limited* (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 Company hereby announces the unaudited preliminary financial data for the year ended 31 December 2019 (the “**Unaudited Preliminary Financial Data of 2019**”) . Due to the reasons set out in the paragraph headed “Review of Unaudited Preliminary Financial Data of 2019” of this announcement, the auditing process of the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 has yet to be completed. The Unaudited Preliminary Financial Data of 2019 contained in this announcement has been reviewed and agreed by the Audit Committee.

Item	The Reporting Period	The same period last year	Change
	(RMB)	(RMB)	(%)
Total operating revenue	3,461,338,257.51	3,284,080,652.02	5.40%
Operating profit	513,787,859.79	565,650,379.15	-9.17%
Total profit	520,097,944.81	558,319,177.74	-6.85%
Net profit	464,377,921.60	474,117,157.49	-2.05%
Net profit attributable to shareholders of the parent company	421,352,208.08	407,917,006.14	3.29%
Net profit from continuing operations	466,680,383.51	472,064,927.81	-1.14%

Net profit from discontinued operations	-2,302,461.91	2,052,229.68	-212.19%
Other comprehensive income attributable to shareholders of the parent company, net of tax	73,655.53	14,362,814.47	-99.49%
Total comprehensive income	464,451,577.13	497,893,333.64	-6.72%
Basic earnings per share	0.48	0.47	2.13%
Weighted average return on net assets	9.91%	10.57%	-0.66%

	As at the end of the Reporting Period (RMB)	As at the beginning of the Reporting Period (RMB)	Change (%)
Current assets	3,024,423,766.29	3,088,057,329.14	-2.06%
Non-current assets	7,352,488,168.11	6,656,400,351.97	10.46%
Total assets	10,376,911,934.40	9,744,457,681.11	6.49%
Goodwill	1,290,368,745.07	1,213,137,618.89	6.37%
Current liabilities	4,398,635,945.37	3,524,008,760.87	24.82%
Non-current liabilities	945,772,640.61	1,534,288,341.02	-38.36%
Total liabilities	5,344,408,585.98	5,058,297,101.89	5.66%
Total equity attributable to shareholders of the parent company	4,342,054,280.28	4,041,932,130.79	7.43%
Minority interests	690,449,068.14	644,228,448.43	7.17%
Total shareholders' equity	5,032,503,348.42	4,686,160,579.22	7.39%
Share capital	879,267,102.40	887,100,102.40	-0.88%
Net asset per share attributable to Shareholders of the Company	4.94	4.56	8.33%

The Group is expected to have a total operating revenue of approximately RMB3,461,338,258 for the year ended 31 December 2019 (the “**Reporting Period**”), which increased by 5.40% as compared to the same period of last year. The total operating profit amounted to approximately RMB513,787,860, which decreased by approximately 9.17% as compared to the same period of last year. Net profit attributable to Shareholders of the Company amounted to approximately RMB421,352,208, representing an increase of approximately 3.29% as compared to the same period last year.

In 2019, the Company consistently undertook the responsibility of the state-owned enterprise, overcame the adverse factors such as intensified market competition, slowing demand-side growth and increasing cost of safety and environmental protection. It also continued to vigorously exploit the market and “tap potential and enhance efficiency”, and actively promoted the construction of new projects and

optimised the capacity of projects in production, ensuring the steady development of main businesses of the Company.

Taking into account the changes in the operating environment, the profitability of certain projects acquired may not up to expectations as well as the analysis and forecast of future operating conditions. Based on the principle of prudence, the Company provided for impairment of goodwill at the end of the year. In addition, pursuant to the new standard on financial instruments, the Company compiled reconciliation between the age of account receivables and the lifetime expected credit loss rate. During the Reporting Period, provision for impairment on receivables was made based on the expected credit loss rate.

As at the end of the Reporting Period, the Company's financial position was healthy with total assets of approximately RMB10,376,911,934, representing an increase of approximately 6.49% as compared to the beginning of the Reporting Period. Owners' equity attributable to Shareholders of the Company was approximately RMB4,342,054,280, representing an increase of approximately 7.43% as compared to the beginning of the Reporting Period.

The net profit from discontinued operations of the Company decreased by 212.19% year-on-year, which was mainly due to the deregistration of a subsidiary during the year. Other comprehensive income decreased by 99.49% year-on-year, which was mainly due to the transfer of real estate for self-use purpose by the Company to investment properties measured by fair value in the previous year. The non-current liabilities decreased by 38.36% from the beginning of the year, which was mainly due to the reclassification of bonds payable due within one year from the Reporting Period to non-current liabilities.

REVIEW OF UNAUDITED PRELIMINARY FINANCIAL DATA OF 2019

Since the outbreak of the novel coronavirus pneumonia (the “**COVID-19**”) at the beginning of 2020, various provinces in China have stopped or maintained a limited level of commercial activity, transportation and government services (the “**Restrictions**”). As the subsidiaries of the Company are located in various provinces and municipalities in the PRC, the auditors of the Company are subject to the above Restrictions, and it is difficult for them to complete certain on-site inspection and audit procedures as originally scheduled. As such, as of the date of this announcement, the auditing process of the annual results of the Group for the year ended 31 December 2019 has yet to be completed. After discussing with the Company's auditor, the Company has decided to delay the publication of audited annual results announcement for the year ended 31 December 2019 as well as the publication and despatch of the 2019 annual report.

The Unaudited Preliminary Financial Data of 2019 contained in this announcement has been reviewed and agreed by the Audit Committee.

FURTHER ANNOUNCEMENT

After the completion of auditing process, the Company is expected to publish the annual results announcement of the Company for the year ended 31 December 2019 on or before 30 April 2020 in relation to (i) the audited results for the year ended 31 December 2019 as agreed by the Company's auditor and the accounting adjustment or material differences (if any) as compare to the unaudited annual results set out in this announcement; (ii) the proposed distribution of confirmed final dividends for the year ended 31 December 2019; and (iii) the payment date, closure period and record date for the proposed final dividends. In addition, the Company will publish the 2019 annual report of the Company on or before 15 May 2020.

The preliminary financial data of the Group for 2019 contained in this announcement is unaudited and has not been agreed by the Company's auditor. 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*
Tan Kan
Chairman

Shenzhen, Guangdong, the PRC
27 March 2020

As at the date of this announcement, the Board of Directors of the Company comprises two executive Directors, being Mr. Tan Kan and Mr. Yao Shu; four non-executive Directors, being Mr. Liu Boren, Mr. Huang Yiming, Mr. Lu Bei and Mr. Jin Yongfu and three independent non-executive Directors, being Mr. Zhu Zhengfu, Mr. Qu Jiu Hui and Mr. Wong Hin Wing .

** For identification purpose only*