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**綠色動力**  
DYNAGREEN

**綠色動力環保集團股份有限公司**  
**Dynagreen Environmental Protection Group Co., Ltd.\***

*(a joint stock limited liability company incorporated in the People's Republic of China)*

(Stock Code: 1330)

**INSIDE INFORMATION**

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**AND**  
**(5) RESIGNATION OF A JOINT COMPANY SECRETARY**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**I. PROPOSED CHANGE OF ACCOUNTING STANDARD**

Since the date on which the H Shares of the Company became listed on the Stock Exchange, the Company has been preparing its financial statements under both the CASBE and the IFRS.

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Stock Exchange in December 2010, PRC incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the CASBE and PRC audit firms approved by the MOF and the CSRC are allowed to audit these financial statements prepared in accordance with the CASBE.

In view of such arrangement and the proposed listing of the A Shares of the Company, the Board passed a resolution on 31 October 2017 to prepare only one set of financial statements for the Company under the CASBE (the “**Proposed Change of Accounting Standard**”), subject to the Shareholders’ approval of the proposed amendments to the Articles of Association as described in section II below (the “**Proposed Amendments to the Articles of Association**”).

Subject to the approval of the Shareholders of the Proposed Amendments to the Articles of Association, it is expected that starting from the nine months ended 30 September 2017, the results of the Company will be prepared in accordance with the CASBE. The Board is of the view that the Proposed Change of Accounting Standard will improve the efficiency and reduce the cost of disclosure, and is in the best interest of the Company and the Shareholders as a whole.

### **The Group’s Financial Information Prepared in Accordance with CASBE**

Due to the change of accounting standard from IFRS to CASBE, it is expected that certain financial line items contained in the financial statements of the Company disclosed in accordance with CASBE will be different from such financial line items contained in the financial statements prepared under IFRS of the Company for the year ended 31 December 2016. For illustration purposes only, the below table shows the expected percentage difference in various financial line items of the Group between the financial statements prepared under CASBE and the financial statements prepared under IFRS by the Company for the year ended 31 December 2016. Figures set out in the table below are estimated figures only.

<b>Certain financial line items</b>	<b>Decrease in percentage</b>
Intangible assets	Approximately 31%
Total assets of the Group	Approximately 12%
Total equity attributable to equity shareholders of the Company	Approximately 23%
Revenue	Approximately 65%
Direct costs and operating expenses	Approximately 80%
Profit attributable to equity shareholders of the Company	Approximately 35%

The above differences are mainly due to that: in the financial statements prepared under CASBE, no BOT (“**Build-Operate-Transfer**”)/BT (“**Build-Transfer**”) construction revenue was recognised during the construction phase, intangible assets and financial assets were recognised based on the costs incurred and contract arrangement of each BOT/BT; in the financial statements prepared under IFRS, although no cash was received during the construction phase of BOT/BT projects, the Group recognised revenue from construction services when project construction commenced pursuant to the requirements of the prevailing accounting standards and the market practice in Hong Kong. The construction services provided by the Group were recognised at their fair value, with the corresponding amount recorded as intangible assets and financial assets.

## II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the Proposed Change of Accounting Standard, the Board passed a resolution on 31 October 2017 in relation to the Proposed Amendments to the Articles of Association. Please refer to Appendix I to this announcement for the full text of the Proposed Amendments to the Articles of Association.

The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders by passing a special resolution at the EGM. Save for the amendments as set out in the Proposed Amendments to the Articles of Association, the other provisions of the Articles of Association will remain unchanged. The Proposed Amendments to the Articles of Association will become effective upon the approval by the Shareholders at the EGM.

## III. PROPOSED AMENDMENTS TO NEW ARTICLES OF ASSOCIATION UPON COMPLETION OF PROPOSED A SHARE ISSUE

In light of the Proposed Change of Accounting Standard, the Board passed a resolution on 31 October 2017 to amend the New Articles of Association (the “**Proposed Amendments to New Articles of Association**”). Please refer to Appendix II to this announcement for the full text of the Proposed Amendments to the New Articles of Association.

The Proposed Amendments to the New Articles of Association are subject to the approval of the Shareholders by passing a special resolution at the EGM. Save for the amendments as set out in the Proposed Amendments to the New Articles of Association, the other provisions of the New Articles of Association will remain unchanged. The adoption of the New Articles of Association is subject to the approval of the Shareholders at the EGM, the CSRC and completion of the Proposed A Share Issue.

## IV. PROPOSED CHANGE OF AUDITORS

KPMG has been engaged by the Company as the international auditors to audit the financial statements of the Company prepared in accordance with the IFRS. In light of the Proposed Change of Accounting Standard, the Board proposes to change the Company’s international auditors from KPMG to KPMG Huazhen LLP (the “**Proposed Change of Auditors**”), subject to the approval by the Shareholders at the EGM.

KPMG Huazhen LLP is an eligible PRC audit firm approved by the MOF and the CSRC to provide auditing services in accordance with the CASBE to PRC incorporated issuers. Upon approval of the Proposed Change of Auditors by the Shareholders at the EGM, KPMG Huazhen LLP will undertake all such activities as required to be performed by international auditors under the Listing Rules.

KPMG has confirmed that there were no matters regarding the Proposed Change of Auditors that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there were no disagreement between the Company and KPMG regarding the Proposed Change of Auditors. The Board further confirmed that it is not aware of any matters regarding the Proposed Change of Auditors that needs to be brought to the attention of the Shareholders.

## V. RESIGNATION OF A JOINT COMPANY SECRETARY

Mr. Zhu Shuguang (“**Mr. Zhu**”) no longer acts as a joint company secretary of the Company. Mrs. Seng Sze Ka Mee Natalia will remain as the company secretary of the Company.

Mr. Zhu confirmed that there is no disagreement with the Board and there are no matters that need to be brought to the attention of the Stock Exchange and the Shareholders.

## VI. GENERAL

A circular containing, amongst others, further details of (1) the Proposed Amendments to the Articles of Association, (2) the Proposed Amendments to the New Articles of Association, and (3) the Proposed Change of Auditors, together with a notice convening the EGM, will be despatched to the Shareholders in due course.

## VII. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“A Share(s)”	ordinary shares of the Company with nominal value of RMB1.00 each proposed to be issued under the A Share issue and listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises (中國企業會計準則)
“Company”	Dynagreen Environmental Protection Group Co., Ltd. (綠色動力環保集團股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC on 23 April 2012, which is listed on the Main Board of Hong Kong Stock Exchange (Stock Code: 1330)

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“EGM”	the second extraordinary general meeting for the year 2017 to be convened by the Company to approve the Proposed Amendments to the Articles of Association, the Proposed Amendments to the New Articles of Association and Proposed Change of Auditors
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	Ministry of Finance of the PRC (中國財政部)
“New Articles of Association”	the new Articles of Association to be adopted upon completion of Proposed A Share Issue
“PRC”	the People’s Republic of China; for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed A Share Issue”	the proposed issue of 116,200,000 A Shares in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including both Domestic Share(s) and H Share(s)

“Shareholder(s)” the holder(s) of the Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Dynagreen Environmental Protection Group Co., Ltd.\***  
**Zhi Jun**  
*Chairman*

Shenzhen, the PRC  
31 October 2017

*As at the date of this announcement, the non-executive directors of the Company are Mr. Zhi Jun, Mr. Guo Yitao, Mr. Liu Shuguang and Mr. Feng Changzheng, the executive directors of the Company are Mr. Qiao Dewei and Mr. Hu Shengyong and the independent non-executive directors of the Company are Ms. Chen Xin, Mr. Kwan Kai Cheong and Mr. Ou Yuezhou.*

\* *For identification purposes only*

## APPENDIX I — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

### Original Provisions

#### *Article 203*

The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall prevail.

#### *Article 204*

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

### Amended Provisions

#### *Article 203*

The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

#### *Article 204*

The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

## APPENDIX II — PROPOSED AMENDMENTS TO THE NEW ARTICLES OF ASSOCIATION

### Original Provisions

#### *Article 207*

The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall prevail.

#### *Article 208*

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

### Amended Provisions

#### *Article 207*

The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

#### *Article 208*

The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.