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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)**

**VOLUNTARY ANNOUNCEMENT**  
**ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ACCOUNTING**  
**DIFFERENCES BETWEEN IFRS AND CASBE FROM 2014 TO 2016**

References are made to the announcement of Dynagreen Environmental Protection Group Co., Ltd.\* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 October 2017 (the “**2017 Announcement**”), the circular dated 3 November 2017 and the poll results announcement of the 2017 second extraordinary general meeting dated 22 December 2017, and regarding, among others, the Proposed Change of Accounting Standard and the Proposed Amendments to the Articles of Association.

Reference is further made to the announcement of the Company dated 9 January 2018, regarding submission of an updated prospectus (the “**Updated Prospectus**”) to the CSRC in connection with its application for the Proposed A Share Issue. Unless otherwise defined, the terms capitalised herein shall have the same meanings as those defined in the 2017 Announcement.

As disclosed in the 2017 Announcement, it is expected that certain financial line items will be affected as the Company changed from preparing its financial statements in accordance with IFRS to preparing its financial statements in accordance with CASBE. In connection with the Company’s application for the Proposed A Share Issue and as disclosed in the Updated Prospectus, the Company would like to provide further information to illustrate the differences between the Company’s financial statements

disclosed in accordance with CASBE and the financial statements prepared in accordance with IFRS between 2014 and 2016. The differences between the two are set out as follows:

## (1) BOT/BT ITEMS

In the financial statements prepared under CASBE, no BOT/BT 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. For further details, please refer to the 2017 Announcement.

## (2) OTHERS

In order to conduct a more prudent implementation on the provisions of the CASBE with regard to provision estimate for bad debts and the amortization period for intangible assets, the Company made changes on the provision proportion for bad debts of accounts receivable and the amortization period for intangible assets — construction license with reference to the practice of the A-share listed companies of the same industry.

(3) The effects of the above changes on the financial statements for the period from 2014 to 2016 are as follows:

	Net profit attributable to Shareholders of the parent			Equity attributable to Shareholders of the parent		
	2016	2015	2014	31 December 2016	31 December 2015	31 December 2014
According to IFRS (A)	356,462,311.16	226,757,157.57	142,044,737.09	2,741,747,416.71	2,410,389,037.06	2,177,392,171.43
Adjustments:						
1. Impact of BOT/BT differences (B)	(174,365,958.33)	(106,831,216.62)	(123,496,178.68)	(867,936,210.59)	(693,570,252.25)	(586,739,035.64)
2. Others (C)						
Among which: Provision for bad debts of accounts receivable	13,420.79	(550,330.14)	(2,147,734.66)	(5,812,592.47)	(5,826,013.28)	(5,275,683.12)
Adjustments of amortization period for intangible assets — construction license	—	1,668,768.94	(1,407,604.42)	—	—	(1,668,768.96)
3. Impact of the above matters on taxation (D)	<u>48,885,917.29</u>	<u>29,941,495.12</u>	<u>30,976,737.28</u>	<u>225,648,586.85</u>	<u>176,762,669.57</u>	<u>146,821,174.46</u>
According to CASBE (E=A+B+C+D)	<u>230,995,690.91</u>	<u>150,985,874.87</u>	<u>45,969,956.61</u>	<u>2,093,647,200.50</u>	<u>1,887,755,441.10</u>	<u>1,730,529,858.17</u>

Save for the differences set out above, there are no differences between the financial statements set out in the Updated Prospectus and the financial statements disclosed by the Company on the website of The Stock Exchange of Hong Kong Limited in the same periods.

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

Shenzhen, the PRC  
12 January 2018

*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*