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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)

**ANNOUNCEMENT ON RECEIPT OF DECISION FOR  
ADMINISTRATIVE PENALTY BY A WHOLLY OWNED SUBSIDIARY**

Taizhou Dynagreen Renewable Energy Co., Ltd.\* (泰州綠色動力再生能源有限公司) (“**Taizhou Company**”), a wholly owned subsidiary of Dynagreen Environmental Protection Group Co., Ltd.\* (the “**Company**”), has recently received the Decision for Administrative Penalty (Tai Huan Fa Zi [2018] No.7) issued by Taizhou Municipal Environmental Protection Bureau (the “**Decision**”), and the main contents of the Decision are as follows:

**1. THE MAIN CONTENTS OF THE DECISION**

According to the former Ministry of Environmental Protection’s inspection results on Taizhou Company, the average density of dioxin discharged by the No.1 incinerator of Taizhou Company which was 0.19 I-TEQ ng/m<sup>3</sup> exceeded the dioxin limit stipulated in the Standard for Pollution Control on the Municipal Solid Waste Incineration (生活垃圾焚燒污染控制標準) (GB18485-2014) which is 0.1 I-TEQ ng/m<sup>3</sup> by 90%, breaching relevant standards on waste gas discharge.

The above practice of Taizhou Company was in breach of the *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, and pursuant to Article 99 of the *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, Taizhou Municipal Environmental Protection Bureau has decided to impose the following penalties on Taizhou Company: (1) a monetary penalty of RMB1 million; and (2) an order that the acts violating environmental protection laws shall be stopped immediately.

If the Decision is not accepted, Taizhou Company may submit a review application to the Environmental Protection Department of Jiangsu Province or Taizhou Municipal People’s Government within 60 days after receipt of the Decision, and may also commence an administrative proceeding at the People’s Court of Taizhou Medical High and New Technology

Industrial Development Park (泰州醫藥高新技術產業開發區人民法院) within six months after receipt of the Decision. If no administrative review application is submitted, no administrative proceeding is initiated and the above penalties are not complied with, Taizhou Municipal Environmental Protection Bureau shall apply for enforcement of the Decision by the People's Court or enforce the Decision in accordance with relevant regulations.

## 2. RECTIFICATION

The Company paid serious attention to the event and has required Taizhou Company to rectify such non-compliance according to the specific requirements of Taizhou Municipal Environmental Protection Bureau in a timely manner, including but not limited to further improving operation management, equipment maintenance and staff training, and conducting analysis and rectification in respect of all factors that may affect environmental inspection results while enhancing communication with local competent authorities so as to prevent other wastes from being mixed into domestic waste pending treatment. A deadline has also been set by the Company for Taizhou Company to complete relevant rectification.

## 3. IMPACT ON THE COMPANY

After becoming aware of the above information, the Company immediately held a special meeting on the rectification of environmental protection issues and made rectification in strict compliance with the requirements of competent authority. At present, the Company is operating normally and it is expected that the administrative penalty will not have any material impact on the production and operation of the Company.

The Company would like to express its sincere apology for the adverse impact caused by this incident. Investors and potential investors are advised to exercise caution and be aware of relevant risks when making investment decisions.

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

Shenzhen, China  
2 July 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. Ou Yuezhou and Ms. Fu Jie.*

\* For identification purposes only