



## **Compliance statement according to sec. 161 of the German stock corporation Act (*Aktiengesetz*)**

Executive Board and Supervisory Board herewith declare that the Company has complied and will comply with the recommendations of the German Corporate Governance Code in the version as of as of 26 May 2010, except for the following deviations:

- Section 2.3.1 sentence 3 and Section 2.3.3 sentence 2 are dealing with absentee voting procedure by mail, without explicitly recommending to provide for such absentee voting procedure. In the Company's view, there are still various practical and legal problems involved with absentee voting by mail. In view of the general shareholders' meeting 2012, the Executive Board has therefore – as already for the general shareholders' meeting 2011 – decided not to exercise its authorization as granted under Section 23 para. 6 of the Articles to permit absentee voting by mail. However, shareholders continue being entitled to electronically grant proxies to proxy representatives nominated by the Company.
- Sections 4.2.2 and 4.2.3 of the Code contain recommendations on the remuneration of members of the Executive Board granted by the company. Since the members of the Executive Board of ZhongDe Waste Technology AG have only concluded service agreements with the Chinese operating entity Fujian FengQuan Environmental Protection Equipment Limited but not with the stock corporation itself, the recommendations set forth in Sections 4.2.2 and 4.2.3 of the German Corporate Governance Code do not apply.
- According to Section 5.1.2 para. 2 sentence 3 and Section 5.4.1 para. 2 sentence 1 of the Code, the determination of an age limit is recommended. The Company has not determined such age limit and so maintains the option to appoint members of the Executive Board or the Supervisory Board that have already crossed a certain age limit on a case by case basis. The Company believes that the determination of an age limit for members of the Executive Board and/or the Supervisory Board is not useful as a general rule but rather prefers the qualification and experience of its board members as criteria. The Company, therefore, deviates from the recommendations as set forth in Section 5.1.2 para. 2 sentence 3 and Section 5.4.1 para. 2 sentence 1 of the German Corporate Governance Code.



- Section 7.1.2 of the Code recommends the annual consolidated financial statements to be made available to the public domain within 90 days after expiration of the last business year, and to make available the interim financial reports within 45 days after the end of the respective reporting period. By now, the Company missed these timelines. The reason is that due to its international holding structure and some linguistic challenges to be faced with the preparation of the financial reports, the Company has put and will put more emphasis on accurate financial statements rather than to exactly meet the recommended timelines.

Hamburg, 19 April 2012

ZhongDe Waste Technology AG

For the Executive Board

For the Supervisory Board

Zefeng CHEN  
(Chief Executive Officer)

Hans-Joachim ZWARG  
(Chairman of the Supervisory Board)