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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)**

## INSIDE INFORMATION
## INTERIM RESULTS ESTIMATE OF 2023

This announcement is made by Dongjiang Environmental Company Limited* (the "**Company**") pursuant to Rule 13.09 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).

### I. ESTIMATED RESULTS FOR THE PERIOD

(I) Results Estimation Period: 1 January 2023 to 30 June 2023 (the "**Reporting Period**")

(II) Estimated Results

| **Items** | **Reporting Period** | **Corresponding period of last year** |
|---|---|---|
| Net profit attributable to shareholders of the listed company | Loss: RMB210,000,000 to RMB190,000,000 | Earnings: RMB20,409,800 |
| Net profit after non-recurring profit or loss | Loss: RMB223,000,000 to RMB203,000,000 | Loss: RMB4,502,800 |
| Basic earnings per share | Loss: RMB0.19 to RMB0.17 per share | Earnings: RMB0.02 per share |

## II. COMMUNICATION WITH THE ACCOUNTING FIRM

This results estimate has not been pre-audited by certified public accountants.

## III. REASONS FOR THE ESTIMATED CHANGE IN THE RESULTS

In the first half of 2023, the overall recovery of the upstream fell short of expectations, the industry has not yet seen a significant recovery, and the waste production remained at a low level. At the same time, the overall capacity of the industry continues to be excessive, resulting in obvious homogeneous competition and fierce market competition; the utilization rate of industry capacity has not been significantly improved. Due to fierce competition, the cost of collection and transportation of the Company's resource utilization business continued to rise, the volume and price of collection and transportation of the non-hazardous treatment business were still in a downward range. The gross profit margin decreased significantly year-on-year, which adversely affected the Company's operating results.

Faced with the difficult situation in the industry and the market, the Company will use its best effort to reverse the unfavourable situation. Firstly, the Company will seize market share, promote regional business synergy and adopt diversified strategies to continuously improve sales performance and market share with the keynote of "secure survival and stabilize the market". Secondly, the Company will deepen its internal reform, focus on the special tasks of "slimming and fitness" and "extreme cost reduction", reduce costs and increase efficiency solidly, and strive to revitalize assets and turn around losses. Thirdly, put emphasis on key projects, inject pace to the commencement of production and achievement of production targets of the Jieyang Dananhai Petrochemical Industrial Zone Green Cycle Center Phase I, Binjiang Sewage Treatment Plant Expansion (Phase II) and other projects, and accelerate the cultivation of new momentum for the development of the Company.

## IV. RISK WARNING AND OTHER RELEVANT INFORMATION

This results estimate is only based on the preliminary estimation made by the finance department of the Company. The actual financial information is subject to the interim results for 2023 to be disclosed by the Company before the end of August 2023.

**Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board
**Dongjiang Environmental Company Limited***
**Tan Kan**
*Chairman*

Shenzhen, the PRC
14 July 2023

*As at the date of this announcement, the Board of Directors of the Company comprises three executive Directors, being Mr. Tan Kan, Mr. Yu Zhongmin and Mr. Lin Peifeng; three non-executive Directors, Mr. Tang Yi, Ms. Shan Xiaomin and Mr. Jin Yongfu; and three independent non-executive Directors, being Mr. Li Jinhui, Mr. Siu Chi Hung and Ms. Guo Suyi.*

* *For identification purpose only*