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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)**

## **CONNECTED TRANSACTIONS WASTE TREATMENT AND DISPOSAL SERVICE AGREEMENTS**

### **WASTE TREATMENT AND DISPOSAL SERVICE AGREEMENT A**

On 28 December 2023, Shaoguan Smelter and Shaoguan Sustainable Resources have entered into the Waste Treatment and Disposal Service Agreement A, pursuant to which Shaoguan Smelter has agreed to engage Shaoguan Sustainable Resources for the provision of Services for treatment, transportation and disposal of wastes in Area A of Huilongshan Slag Yard with a Service area not exceeding 56,435 square meters.

### **WASTE TREATMENT AND DISPOSAL SERVICE AGREEMENT B**

On 28 December 2023, Shaoguan Smelter and Shaoguan Sustainable Resources have entered into the Waste Treatment and Disposal Service Agreement B, pursuant to which Shaoguan Smelter has agreed to engage Shaoguan Sustainable Resources for the provision of Services for treatment, transportation and disposal of wastes in Area B of Huilongshan Slag Yard with a Service area not exceeding 78,655 square meters.

### **LISTING RULES IMPLICATIONS**

As the Agreements are entered into by the Group within a 12-month period with the same party, they are aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

Shaoguan Smelter is indirectly controlled by Guangdong Rising Holdings Group, a substantial shareholder of the Company, and is regarded as an associate of Guangdong Rising Holdings Group, it is therefore considered to be a connected person of the Company. The Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Agreements and the transactions contemplated thereunder, on an aggregate basis, are more than 0.1% but all are less than 5%, the Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements, but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Huang Honggang (non-executive Director) holds position in Guangdong Rising Holdings Group, he is considered to be materially interested in and has abstained from voting on the relevant Board resolutions approving the Agreements and the transactions contemplated thereunder.

## **WASTE TREATMENT AND DISPOSAL SERVICE AGREEMENT A**

### **Date**

28 December 2023

### **Party**

1. Shaoguan Smelter of Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd.\* (深圳市中金嶺南有色金屬股份有限公司韶關冶煉廠)
2. Shaoguan Dongjiang Environmental Sustainable Resources Development Co., Ltd.\* (韶關東江環保再生資源發展有限公司)

### **Subject matter**

Shaoguan Smelter has agreed to engage Shaoguan Renewable Resources to provide Services in relation to the transportation and innocuous treatment of wastes in Area A of the Huilongshan Slag Yard.

The Services shall be conducted in compliance with “Law on the Prevention and Control of

Environmental Pollution by Solid Waste”（《固體廢物污染環境防治法》）and other rules and regulations.

**Term of completion**

Commencing within three days from the date of the Waste Treatment and Disposal Service Agreement A and to be completed by 31 March 2024.

**Amount**

The Service area of Shaoguan Renewable Resources shall not exceed 56,435 square meters.

**Service fee**

Based on the estimated area and amount of treatment, the total service fee payable by Shaoguan Smelter to Shaoguan Renewable Resources under the Waste Treatment and Disposal Service Agreement A should not exceed RMB4,345,495 (inclusive of tax).

The service fee under the Waste Treatment and Disposal Service Agreement A was negotiated and entered into on an arm’s length basis and on normal commercial terms and was determined with reference to (a) the amount of Services to be provided and (b) the prevailing market price in respect of the Services.

**Payment terms**

The service fee under the Waste Treatment and Disposal Service Agreement A is settled according to the actual amount of treatment, and shall be paid in cash by Shaoguan Smelter to Shaoguan Renewable Resources based on the treatment progress. The final settlement shall be made after the completion and acceptance of the treatment work.

**WASTE TREATMENT AND DISPOSAL SERVICE AGREEMENT B**

**Date**

28 December 2023

**Party**

1. Shaoguan Smelter of Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd.\* (深圳市中金嶺南有色金屬股份有限公司韶關冶煉廠)

2. Shaoguan Dongjiang Environmental Sustainable Resources Development Co., Ltd.\* (韶關東江環保再生資源發展有限公司)

### **Subject matter**

Shaoguan Smelter has agreed to engage Shaoguan Renewable Resources to provide Services in relation to the transportation and innocuous treatment of wastes in Area B of the Huilongshan Slag Yard.

The Services shall be conducted in compliance with “Law on the Prevention and Control of Environmental Pollution by Solid Waste” (《固體廢物污染環境防治法》) and other rules and regulations.

### **Term of completion**

Commencing within three days from the date of the Waste Treatment and Disposal Service Agreement B and to be completed by 31 March 2024.

### **Amount**

The Service area of Shaoguan Renewable Resources shall not exceed 78,655 square meters.

### **Service fee**

Based on the estimated area and amount of treatment, the total service fee payable by Shaoguan Smelter to Shaoguan Renewable Resources under the Waste Treatment and Disposal Service Agreement B should not exceed RMB6,764,330 (inclusive of tax).

The service fee under the Waste Treatment and Disposal Service Agreement B was negotiated and entered into on an arm’s length basis and on normal commercial terms and was determined with reference to (a) the amount of Services to be provided and (b) the prevailing market price in respect of the Services.

### **Payment terms**

The service fee under the Waste Treatment and Disposal Service Agreement B is settled according to the actual amount of treatment, and shall be paid in cash by Shaoguan Smelter to Shaoguan Renewable Resources based on the treatment progress. The final settlement shall be made after the completion and acceptance of the treatment work.

## **INFOEMATION OF THE PARTIES**

### **Information on the Company and the Group**

The Company is a joint stock limited company incorporated in the PRC. The Group is primarily engaged in (i) disposal and treatment of waste; (ii) production and sales of recycled products and renewable energy; (iii) construction and provision of environmental systems and services; (iv) renewable energy utilization; and (v) trading of chemical products and others.

### **Information on Shaoguan Smelter**

Shaoguan Smelter is a branch of Zhongjin Lingnan and is principally engaged in smelting, manufacturing and processing of non-ferrous metal mineral products, deep processing products, comprehensive utilization products (including sulfuric acid production) and packaging and containers. As at the date of this announcement, Zhongjin Lingnan is a non-wholly-owned subsidiary of Guangdong Rising Holdings Group, a substantial shareholder of the Company and which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province\* (廣東省人民政府國有資產監督管理委員會).

### **Information on Shaoguan Sustainable Resources**

Shaoguan Sustainable Resources is a company established in the PRC and a non-wholly-owned subsidiary of the Company. It is principally engaged in the business of collection and storage, processing and disposal, and integrated utilization of industrial wastages; storage, processing and sales of non-ferrous metals and precious and rare earth metals; import and export of goods or technologies.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF SERVICES**

The Company believes that the provision of Services will help increase the income from treatment of Shaoguan Sustainable Resources and further improve the economic efficiency of Shaoguan Sustainable Resources, which is in line with the business model and strategic development needs of the Company. The provision of Service is in the ordinary course of operations of the Group and is consistent with the business development needs of the Company, which is expected to bring reasonable income and benefits to the Company.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Agreements are on normal commercial terms and in the ordinary and usual course

of business of the Group, and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the Agreements are entered into by the Group within a 12-month period with the same party, they are aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

Shaoguan Smelter is indirectly controlled by Guangdong Rising Holdings Group, a substantial shareholder of the Company, and is regarded as an associate of Guangdong Rising Holdings Group, it is therefore considered to be a connected person of the Company. The Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Agreements and the transactions contemplated thereunder, on an aggregate basis, are more than 0.1% but all are less than 5%, the Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements, but are exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Huang Honggang (non-executive Director) holds position in Guangdong Rising Holdings Group, he is considered to be materially interested in and has abstained from voting on the relevant Board resolutions approving the Agreements and the transactions contemplated thereunder.

## **DEFINITIONS**

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“A Share(s)”	A share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in RMB on the Shenzhen Stock Exchange
“Agreements”	Waste Treatment and Disposal Service Agreement A and Waste Treatment and Disposal Service Agreement B
“associate(s)”	has the meaning ascribed to it under the Listing

## Rules

“Board”		the board of Directors
“Company”		東江環保股份有限公司 (Dongjiang Environmental Company Limited*), a joint stock limited company incorporated in the PRC, whose H Shares and A Shares are listed on the Stock Exchange and on the Shenzhen Stock Exchange, respectively
“connected person(s)”		has the meaning ascribed to it under the Listing Rules
“Director(s)”		the director(s) of the Company
“Group”		the Company and its subsidiaries
“Guangdong Holdings Group”	Rising	Guangdong Rising Holdings Group Co., Ltd.* (廣東省廣晟控股集團有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Company as at the date of this announcement; which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangdong Province* (廣東省人民政府國有資產監督管理委員會)
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
“H Share(s)”		the overseas listed foreign share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in HK\$ on the Stock Exchange
“HK\$”		Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”		the Rules Governing the Listing of Securities on

	the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	Wastes treatment, transportation and disposal services in slag yard
“Shaoguan Smelter”	Shaoguan Smelter of Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd.* (深圳市中金嶺南有色金屬股份有限公司丹霞冶煉廠) a branch of Zhongjin Lingnan as at the date of this announcement
“Shaoguan Sustainable Resources”	Shaoguan Dongjiang Environmental Sustainable Resources Development Co., Ltd.* (韶關東江環保再生資源發展有限公司), a company established in the PRC with limited liability and a non-wholly-owned subsidiary of the Company as at the date of this announcement
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Waste Treatment and Disposal Service Agreement A”	the treatment, transportation and disposal service agreement for Area A of Huilongshan Slag Yard entered into by and between Shaoguan Smelter and Shaoguan Renewable Energy on 28 December 2023
“Waste Treatment and Disposal Service Agreement B”	the treatment, transportation and disposal service agreement for Area B of Huilongshan Slag Yard entered into by and between Shaoguan Smelter and Shaoguan Renewable Energy on 28 December



2023

“Zhongjin Lingnan”

Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd.\*  
(深圳市中金嶺南有色金屬股份有限公司), a  
company established in the PRC with limited  
liability and a non-wholly-owned subsidiary of  
Guangdong Rising Holdings Group as at the date  
of this announcement

“%”

per cent

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

Shenzhen, the PRC  
28 December 2023

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

*\* For identification purposes only*