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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 PROFIT WARNING

This announcement is made by Dongjiang Environmental Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 31 December 2023 (the “**Reporting Period**”)
- (II) Estimated Results: Expected to record net loss

Items	Reporting Period	Corresponding period of last year
Net profit/loss attributable to shareholders of the listed company	Loss: RMB720 million to RMB660 million	Loss: RMB501.7926 million
	Decrease over the same period of last year: 43.49% -31.53%	
Net profit/loss after non-recurring profit or loss	Loss: RMB770 million to RMB695 million	Loss: RMB547.2292 million
	Decrease over the same period of last year: 40.71% - 27.00%	
Basic earnings/loss per share	Loss: RMB0.65 to RMB0.6 per share	Loss: RMB0.57 per share

II. COMMUNICATION WITH THE ACCOUNTING FIRM (AUDITOR)

The estimated results have not been pre-audited by an accounting firm (auditor), but the Company has communicated with the accounting firm (auditor) in advance on matters relating to the estimated results, and there is no disagreement between the Company and the accounting firm (auditor) in respect of the estimated results.

III. REASONS FOR THE CHANGE IN THE ESTIMATED RESULTS

In 2023, the market competition situation of the hazardous wastes industry was further intensified, the cost of collection and transportation of recycling raw materials continued to increase, the volume and disposal price of harmless hazardous wastes fell, and the Company continued to be operating at loss.

Facing with operating difficulties, the Company continued to develop the market, implement "extreme cost reduction" in depth, carefully deploy the organizational reform, and steadily promote project construction and production, so as to effectively stabilize the "base" of production and operation of the Company while ensuring healthy and sustainable development. Set out below are the Company's work:

Firstly, to spare no effort in opening up the market, adopt flexible market mechanism and differentiated service mode, continue to expand the radius of collection and transportation, increase the number of customers, actively provide customized value-added services for various kinds of customers, and constantly enhance customer loyalty; We will put further effort in product sales and overseas market expansion, and constantly increase the proportion and sales performance of high value-added recycling products.

Secondly, to focus on promoting cost reduction and efficiency enhancement, deepening "extreme cost reduction", saving substantial various costs surrounding cost standardization, quality standardization and value optimization, by controlling the raw and auxiliary materials, energy unit consumption of the whole production process and management fee.

Thirdly, to optimize the internal management and improve the quality and efficiency of operation. By adjusting the organizational structure, direct management and control of subsidiaries and branches by the headquarters was achieved. By means of innovative development, absorption and merger, the Company completed the governance of a number of regulated enterprises and loss-making enterprises, and revitalized the idle properties of some enterprises.

Fourthly, to accelerate the construction of key projects. Jieyang Dananhai Rigid Landfill, Wosen

Environmental Protection Landfill Phase I, Zhuhai Green Industry Service Center, Xiongfeng Environmental Protection Anode Mud Silver Converter Furnace and other key projects were successfully completed and put into operation, which further consolidated the Company's industrial foundation.

IV. OTHER RELEVANT INFORMATION

The information contained in this announcement is only based on the preliminary estimation made by the finance department of the Company. The actual financial information is subject to the Company's announcement relating to the annual results of the Group for the year ended 31 December 2023, which is expected to be published on or before 31 March 2024.

Shareholders and potential 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
26 January 2024

As at the date of this announcement, the Board of Directors of the Company comprises one executive Director, being Mr. Tan Kan; two non-executive Directors, 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 purpose only*