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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
# UPDATE ON LITIGATION OF THE COMPANY AND RECEIPT OF FIRST INSTANCE JUDGEMENT

This announcement is made by Dongjiang Environmental Company Limited* (the "**Company**") pursuant to Rule 13.09(2) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 20 August 2024 in relation to the litigation involving the Company and the freezing of part of the funds in the designated fundraising account (the "**Announcement**"). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

## A. SUMMARY

A summary of the latest updates on the Case is set out as below:

(1) Status of litigation of the Case: First instance judgement was received

(2) Position of the Company as a party: Defendant

(3) Amount involved: RMB94,658,431.51 (a decrease of RMB1,659,123.37 as compared with the provisional amount first disclosed in the Announcement)

(4) Impact on the profit and loss of the Company: The Case remains in the stage of first instance judgment, and the impact on the profit for the year ending 31 December 2025 (the "**Period**") and profit after the Period of the Company remains to be uncertain.

## B. OVERVIEW OF THE CASE

Due to a contractual dispute, the plaintiff, Jiangxi Environmental Protection has initiated legal proceedings at the Court against the Company, Gui Jianping* (桂建平) and Zhou Yue* (周玥) as the Defendants, seeking compensation from the three Defendants for environmental pollution investigation, risk assessment and various other costs, as well as the corresponding interest on occupied funds. The Case has been accepted by the Court with the case number "(2024) Gan 0482 Minchu No. 1134".

## C. UPDATES ON THE CASE

The Company has received the civil judgment (the "**Judgment**") delivered by the Court. The first instance judgment is as follows:

(1) The Defendants (i.e. the Company, Gui Jianping* (桂建平) and Zhou Yue* (周玥)) shall, within 10 days from the effective date of the Judgment, jointly and severally compensate the Plaintiff (i.e. Jiangxi Environmental Protection) for environmental pollution investigation, risk assessment, risk control, effect evaluation and other costs incurred up to 31 December 2024 of RMB85,868,122.44, as well as the interest on occupied funds of RMB7,216,636.18. In addition, interest shall accrue on the remaining outstanding amount from 2 May 2024 until the date of full repayment at an interest rate of 4.35% per annum;

(2) The Defendants (i.e. the Company Gui Jianping* (桂建平) and Zhou Yue* (周玥)) shall, within 10 days from the effective date of the Judgment, jointly and severally compensate the Plaintiff (i.e. Jiangxi Environmental Protection) for the personnel salaries of RMB793,582.82 and travelling and other expenses of RMB263,637.07 paid for organizing and implementing soil pollution risk control and remediation activities, totalling RMB1,057,219.89. In addition, interest shall accrue on the remaining outstanding amount from 2 May 2024 until the date of full repayment at an interest rate of 4.35% per annum; and

(3) Other claims of the Plaintiff (i.e. Jiangxi Environmental Protection) be dismissed.

If payment obligations are not performed within the period specified in the Judgment, the interest on the debt for the period of delayed performance shall be doubled in accordance with the provisions of Article 264 of the Civil Procedure Law of the People's Republic of China * (中華人民共和國民事訴訟法).

The acceptance fee of the Case is RMB523,388 and the preservation fee is RMB5,000, totalling RMB528,388, amongst which, RMB11,935 shall be borne by the Plaintiff (i.e. Jiangxi Environmental Protection) and RMB516,453 shall be borne by the Defendants (i.e. the Company, Gui Jianping* (桂建平), and Zhou Yue* (周玥)).

If any party is aggrieved by the Judgment, an appeal petition may be filed with the Court appealing to the Intermediate People's Court of Jiujiang City, Jiangxi Province (江西省九江市中級人民法院) within 15 days from the date of service of the Judgment.

## D. OTHER UNDISCLOSED LITIGATIONS AND ARBITRATIONS

As at the date of this announcement, the Company and its subsidiaries are involved in other litigations and arbitrations, amongst which, the total claim amount involved in cases where the Company and its subsidiaries are plaintiffs amounted to approximately RMB317.2044 million (representing 8.81% of the audited net assets attributable to the shareholders of the listed company as at 31 December 2024); and the total claim amount involved in cases where the Company and its subsidiaries are defendants amounts to approximately RMB34.7014 million (representing 0.96% of the audited net assets attributable to the shareholders of the listed company as at 31 December 2024).

The aforementioned litigations and arbitrations are multiple separate and independent cases, none of which has reached the disclosure threshold for material litigations under the Rules Governing the Listing of Shares on Shenzhen Stock Exchange* (深圳證券交易所股票上市規則). The Company confirms that there is no other litigation or arbitration which is discloseable but has not been disclosed.

## E. INFORMATION OF THE FREEZING OF PART OF THE FUNDS IN THE DESIGNATED FUNDRAISING ACCOUNT AND THE IMPACT ON THE COMPANY

As Jiangxi Environmental Protection has applied to the Court for pre-litigation asset preservation in respect of the Case, part of the funds in the Company’s designated fundraising account (being funds raised through the non-public issuance of A shares completed in 2023), amounting to RMB96,317,554.88 (representing 8.06% of the net proceeds from the fundraising of the Company), was frozen.

Other than the aforementioned frozen part of the funds, the remaining proceeds from the fundraising remain at the full disposal of the Company. There is no material adverse impact on the implementation of the Company's fundraising investment projects, nor is there any substantive effect on the Company's normal operations and management. The Company will continue its effort in applications to the Court for the release of the frozen funds, and will proactively take all necessary measures to safeguard the legitimate rights and interests of the Company and its investing public.

## F. POSSIBLE IMPACT OF THE LITIGATION ON THE COMPANY'S PROFITS FOR THE CURRENT PERIOD AND IN THE FUTURE

The Case remains in the stage of first instance judgment, and the impact on the Company's profits for the Period and after the Period remains uncertain. The Company will closely follow up on the development of the Case, keep communicating and negotiating with relevant parties, proactively take measures to safeguard the legitimate interests of the Company and all its shareholders, and minimize the losses of the Company.

The Company will perform its information disclosure obligations in respect of updates on the Case when appropriate in accordance with relevant laws and regulations.

**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***
**Wang Bi'an**
*Chairman*

Shenzhen, the PRC
1 September 2025

*As at the date of this announcement, the Board comprises three executive Director, being Mr.Wang Bi'an, Mr. Li Xiangli and Mr. Zhu Lintao; three non-executive Directors, being Mr. Wang Shi, Mr. Liu Xiaoxuan and Mr. Jia Guorong; and three independent non-executive Directors, being Mr. Lee Kwok Tung Louis, Mr. Li Jinhui and Ms. Xiang Ling.*

** For identification purposes only*