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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 SECOND 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).

References are made to the announcements of the Company dated 20 August 2024 and 1 September 2025 in relation to, amongst others, the litigation involving the Company (the "**Announcements**"). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

A. SUMMARY

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

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

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

(3) Amount involved: RMB94,658,431.51 (including the interest temporarily accrued up to 1 May 2024)

(4) Impact on the profit and loss of the Company: According to the second instance judgment, the Case is expected to reduce the net profit for the year ending 31 December 2025 (the "**Year**") by RMB94,658,431.51 (including the interest temporarily accrued up to 1 May 2024). The Company has made provision for the estimated liabilities in respect of the Case during the third quarter of 2025 in the amount of RMB 99,497,889.43 (including the interest temporarily accrued up to 30 September 2025). The final impact is subject to the financial report audited by the accounting firm.

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 recently received the Civil Judgment ((2025) Gan 04 Min Zhong No. 2247) delivered by the Intermediate People's Court of Jiujiang City, Jiangxi Province (江西省九江市中級人民法院). The judgment is as follows:

Appeal dismissed; original decision upheld.

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 RMB377.2548 million (representing 10.48% 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 RMB31.9553 million (representing 0.89% 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), and did not occur within 12 consecutive months. The Company has no other litigation or arbitration matters that should be disclosed but have 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.

F. POSSIBLE IMPACT OF THE LITIGATION ON THE COMPANY'S PROFITS FOR THE CURRENT YEAR OR THEREAFTER

According to the second instance judgment, the Case is expected to reduce the net profit for the Year by RMB94,658,431.51 (including the interest temporarily accrued up to 1 May 2024). The Company has made provision for the estimated liabilities in respect of the Case during the third quarter of 2025 in the amount of RMB 99,497,889.43 (including the interest temporarily accrued up to 30 September 2025), and the final impact is subject to the financial report audited by the accounting firm.

After assuming the joint liability of this Case, the Company shall be entitled to seek compensation from the other defendants and relevant parties in accordance with the law, and may take other remedial measures to minimize losses to the Company to the greatest extent possible. The Company will closely monitor subsequent developments, take proactive measures, and safeguard the legitimate rights and interests of the Company and all its shareholders.

The Company will perform its information disclosure obligations in respect of updates on the Case as and 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
30 December 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*